

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS**

1200 Airport Drive, South Burlington, Vermont
Conference Room #1

Tuesday, January 17, 2017 3:00pm

1. CALL TO ORDER
2. AGENDA
3. CONSENT AGENDA
 - 3.1 Approval of Minutes: November 28, 2016
4. PUBLIC FORUM
5. FINANCIAL PACKAGE (Documents/Verbal - M. Friedman)
6. ACTION NEEDED:
 - 6.1 Hudson News Lease Revised Amendment
 - 6.2 Enterprise Rent-A-Car Property Lease – 700 Airport Parkway
 - 6.3 AIP Property Leases – Kirby Cottages On Lily Lane
 - 6.4 Engineering Contract – Stantec – Rotating Beacon Project
 - 6.5 Property Lease – 3090 Williston Road, Advance Towing & Repair, LLC
 - 6.6 Board of Airport Commissioners Policy File, Adoption
7. COMMUNICATION/DISCUSSION:
 - 7.1 Construction Update Report (Document/Verbal - A. Clayton)
 - 7.2 Marketing Update (Document/Verbal - S. Losier)
 - 7.3 Passenger and Operational Statistics (Document)
 - 7.4 Fare Comparisons With New Cost Estimate Calculator (Document - S. Losier)
 - 7.5 Green Mountain Transit Authority Bus Route to Airport (Verbal – Losier/Longo)
 - 7.6 Food Service Provider in Airport Terminal (Verbal – N. Longo)
 - 7.7 Chamber of Commerce Welcome Center Status (Verbal – N. Longo)
 - 7.8 December 5, 2016 Sound Mitigation Committee Meeting Update (Verbal – N. Longo)
 - 7.9 Airport Commissioners Status List (Document)
8. DIRECTOR’S REPORT (Verbal)
9. COMMISSIONERS’ ITEMS
10. ADJOURNMENT-Tentative: Next Meeting- Tuesday, February 21 3:00 pm, Conference Room 1

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
November 28, 2016**

DRAFT

MEMBERS PRESENT: Jeff Munger (Chairman)
Bill Keogh
Alan Newman
Pat Nowak
Jeff Schulman

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Director of Planning and Development
Marie Friedman, Airport CFO
Amanda Clayton, Director of Engineering &
Environmental Compliance
Kelly Colling, Director of Operations
Rick Brown, Director of Maintenance
Shelby Losier, Administrative Assistant
Alex Gyles, intern

OTHERS PRESENT: Erin Desautels, Vermont Small Business Acceleration
Dave Stiller, Heritage Aviation
Kate Jickling, Seven Days

1.0 CALL TO ORDER

Chairman Jeff Munger called the meeting to order at 3:08 PM on November 28, 2016.

2.0 AGENDA

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve the agenda with the addition of a report on the 11/14/16 South Burlington City Council meeting (Item 7.1.2) and an inquiry on direct bus service from the Burlington Transit Center to the airport (Item 7.1.3). VOTING: unanimous (5-0); motion carried.

3.0 CONSENT AGENDA

3.1 Approval of Minutes: October 14, 2016

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve the consent agenda including the minutes of October 14, 2016 as presented. VOTING: unanimous (5-0); motion carried.

4.0 PUBLIC FORUM

None.

5.0 FINANCIAL PACKAGE

Marie Friedman highlighted:

- Revenues are at 20% of budget (on par with previous year).
- Parking revenue is up \$10,000 from July-Sept. and trending in the right direction. Average occupancy is 60%. The Localvore promotion for parking is being done.

The new system to operate the garage will be in place next year and should make a difference.

- Expenditures are at 20% of budget.
- Property taxes decreased due to the settlement with South Burlington.
- Debt coverage ratio is 2.71 at this time. Debt coverage score at the end of the year is expected to be 1.5.
- AIP receivable is approximately \$3 million as of September 30th. Since July \$2.3 million has been expended on AIP projects and \$1.7 million collected in the first three months of the fiscal year. The airport has used \$1.5 million of the grant anticipation note which will be paid back as AIP money is received.
- As of September 30th \$300,000 was owed to pooled cash, but the airport had \$1.5 million in the international account.
- The audit report is expected in December.
- Airlines at the airport are in the process of signing leases.
- Moody's will do a review of the airport in December.

There was discussion of increasing use of the parking garage and generating more revenue by renting space to businesses and organizations. Gene Richards stated car dealerships, organizations, businesses, the hospital and colleges in the area have all been contacted about using the garage.

MOTION by Bill Keogh, SECOND by Alan Newman, to accept the financial package and place the information on file. VOTING: unanimous (5-0); motion carried.

6.0 ACTION NEEDED

6.1 Environmental Testing for Former Fuel Farm

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve and recommend to City Council for approval environmental testing for the former fuel farm.

DISCUSSION: Amanda Clayton reported the airport is in the process of attaining a SMAC (Site Management Activity Completed designation) for the fuel farm that is no longer in use. The bid estimate is based on the scope of work. The process is reimbursable by the state petroleum cleanup fund after the deductible is paid which the airport has paid. The airport must do the work first and then be reimbursed. Pat Nowak asked about any potential impact on South Burlington. Amanda Clayton assured any plumes from the fuel are well within airport property. Ms. Clayton will set up a meeting with Pat Nowak to discuss the results of the testing and monitoring of the fuel farm. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.2 Janitorial RFP Award/Contract

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve and recommend to City Council for approval the janitorial contract with JaniTech.

DISCUSSION: Nic Longo briefly reviewed the bid ranking process following by the airport and reported six bids were received for the janitorial contract.

The lowest responsible bid was JaniTech. The contract is a 2% decrease from the current contract and includes a livable wage and integrating Global employees as much as possible. Global was the prior contractor for nine years and did an outstanding job. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.3 South Hangar RFP Award/Lease

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve and recommend to City Council for approval the south hangar lease with Mansfield Heliflight.

DISCUSSION: Bill Keogh suggested the name of the person who wrote the memo be on the memo, not just the word “staff”. Nic Longo showed the location of the hangar previously occupied by Commute Air. Mansfield Heliflight will be the master tenant of the building and retain the sub-tenants (general aviation tenants). Mansfield Heliflight will do a commercial air charter, flight instruction, improvements/maintenance, and have spare parts. Bill Keogh and Alan Newman questioned why the Airport Commission is approved a draft contract. Gene Richards explained the contract has been reviewed by the City Attorney’s Office, but not reviewed by the bidder’s attorney a yet. Any substantial changes to the contract would be brought back to the Airport Commission. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.4 Hudson News Lease Amendment

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approval the lease amendment for Hudson News.

DISCUSSION: Nic Longo reported the lease amendment includes an increase in the length of term from three years to 10 years with a minimum annual guarantee increase of 3% every other year. Alan Newman questioned why there is not an annual escalator. Gene Richards explained Hudson News installed \$1 million in infrastructure at the airport and made concessions early on (such as having 50% of merchandise be Vermont products), but there can be further discussion with Hudson News about the annual increase. Pat Nowak asked if requiring that half the products be Vermont products could be problematic in the future with post-TSA shopping (i.e. exclusivity issues). Gene Richards pointed out sales increased when Vermont products were added so all are benefitting. Alan Newman asked about the square footage costs. Nic Longo said the concession does not pay by the square footage, only a minimum annual guarantee (MAG).

MOTION TO TABLE by Bill Keogh, SECOND by Alan Newman, to table action on the Hudson News lease amendment until the January meeting. VOTING: unanimous (5-0); motion carried.

6.5 Airline Lease Agreement

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve and recommend to City Council for approval the airline lease agreement.

DISCUSSION: The following comments were made:

- **Bill Keogh commended staff on the superb job with the airline contract. Gene Richards stated Joe McNeil did an outstanding job with the negotiations.**
- **Bill Keogh asked if the document on airport rules and regulations referred to in the contract exists. Gene Richards said the reference is at a legal level.**
- **Bill Keogh asked if the airport can limit the number of flights and timing of the flights per the agreement. Gene Richards said the FAA sets the rules. Flights out of Burlington leave at an early hour and arrive at a later hour in order to make connections with other flights elsewhere.**
- **Bill Keogh asked about the impact on the budget by the lease. Marie Friedman explained with the lease the airport has stability with the airlines. If an airline leaves the allocation in the lease spreads to the remaining carriers. Moody's and Fitch feel it is the gold standard for airlines and airports to have leases.**
- **Pat Nowak asked if the lease terms influenced Allegiant's decision to leave the airport. Gene Richards confirmed Allegiant did not want to sign the lease and a non-signatory airline pays more. Allegiant offers low fares because they do not have leases at airports.**
- **Bill Keogh mentioned the Airport Commission not being involved in any of the lease discussions. Gene Richards pointed out the Airport Commission was kept informed. Staff worked hard to get the best deal possible.**
- **Jeff Schulman and Alan Newman concurred staff kept the Airport Commission informed and provided more detail when asked.**

There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.6. Property Lease

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approve the property lease with Main Street Property Services.

DISCUSSION: Gene Richards said Main Street Property Services is leasing the former office space occupied by the airport administration (1,900 s.f. at \$20/s.f.). There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.7 Greyhound Terminal Rental

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approval terminal rental by Greyhound.

DISCUSSION: Nic Longo reported the term with Greyhound is five years which is consistent with the car rentals. The same counter space will be used. Better customer service and staffing is required in the lease. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.8 Aviatron, Inc. Lease Agreement

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approval the Aviatron, Inc. lease agreement.

DISCUSSION: Nic Longo explained the term of the lease with Aviatron for the 15,000 s.f. building at \$10/s.f. is extended five years with a CPI or 3% escalator whichever is higher. There were no further comments.

VOTING: unanimous (5-0); motion carried.

7.0 COMMUNICATION/DISCUSSION

7.1 Airport Commission Policy File

MOTION by Bill Keogh, SECOND by Pat Nowak, to consider the Airport Commission Policy File and put the item on the next agenda for approval.

DISCUSSION: Bill Keogh reviewed the document that includes charter language for the Airport Commission as an advisory board, meeting parameters, election of officers, minutes, and rules/policies. Pat Nowak suggested outlining guidance on public participation. Gene Richards said the City Attorney will review the document. Changes can be discussed at the next meeting. There were no further comments.

VOTING: unanimous (5-0); motion carried.

7.1.2 Report on 11/14/16 South Burlington City Council Meeting

Gene Richards reported the challenges continue in working with South Burlington Administration. Nicolas Longo and Gene Richards had a meeting with Kevin Dorn and Helen Riehle and information was not passed along to City Council Members, City Staff, and Community Members. The airport has been in existence for 100 years and has helped in South Burlington's successes, as well as provide significant support of the tax base. The airport is working hard to meet needs, but must abide by what the FAA mandates. This message does not appear to be heard. Gene Richards reiterated at this meeting that the program is and always has been voluntary. Gene Richards reaffirmed his commitment to work with South Burlington and the neighbors on all issues, while continuing to remain transparent in the process.

Pat Nowak said the South Burlington City Assessor has been invited to a city council meeting to discuss valuations. There could be an effect from noise, but there is demand especially in the price range of the houses under discussion. House values have not gone down, but are competitive or to the plus side. Ms. Nowak said she will meet with Kevin Dorn and Helen Riehle to talk about the collaborative relationship with the airport and moving forward.

7.1.3 Inquiry on Direct Bus Service Burlington Transit Center to Airport

MOTION by Bill Keogh, SECOND by Alan Newman, to direct staff to investigate the feasibility of having direct transit service to the airport funded by GMT or shared funding with the airport, and report at the next meeting.

DISCUSSION: Pat Nowak suggested staff ask GMT about the Bridj bus service. There were no further comments.

VOTING: unanimous (5-0); motion carried.

7.2 Construction Update

Amanda Clayton reported:

- The glycol project will be done by Christmas.
- The airport beacon must be updated by May 2017 per the FAA inspection. Cost estimate is \$200,000. Staff is researching possible locations for the new beacon.
- Air Guard project has started demolition of Taxiway Foxtrot.

7.3 Marketing Update and 7.4 Fare Comparison

Shelby Losier highlighted:

- A Localvore coupon for parking is being offered (buy one day of parking and get a second free). A portion of the proceeds will go to Spectrum Youth Center.
- The website is being reorganized to be more user friendly and decluttered.
- Some staff members attended the Williston Rotary meeting which was very positive.
- The committee working on the 2020 airport centennial celebration held their first meeting.
- Flash Mob Step In Vermont performed at the airport.
- The airport hosted weddings, the Lund prom, Alzheimer's Association gathering, and a drone seminar.
- Two wishes have been granted through Make-A-Wish.

7.4 Passenger and Operational Statistics

Nic Longo reported passenger enplanements show a 3.6% increase over the last fiscal year (YTD) mainly due to main line service and larger aircraft. Enplanements are trending up nationally.

7.5 Fare Comparison with New Cost Estimate Calculator

Shelby Losier reported on average fares are \$20 more expensive to drive and fly out of Manchester or Boston.

7.6 Updated Property Inventory

Nic Longo said the inventory of properties owned by the airport is updated each month.

8.0 AVIATION DIRECTOR'S REPORT

Gene Richards reported:

- The Rotary meeting in Williston was very positive. Rotary members spoke highly of the value of the airport even though the town bears the brunt of all incoming flights overhead.
- March 4th is Allegiant's last flight. Allegiant chose not to sign the lease with the airport like the other airlines.
- All airlines at the airport have signed the lease.
- Attendees at the first meeting of the airport 100 year committee offered astounding knowledge and history of the airport. The committee is off to a good start.

- Master Electrician, Corey Jewell, who unexpectedly passed away had vast historical electrical knowledge of the airport. It will be difficult to fill the position so a hybrid approach will be used with contract master electricians and airport employees.
- JetBlue will hold a one hour dream flight and party on December 6th for 50 children from Kamp-Ta-Kum Ta, Ronald McDonald House, and Children's Hospital. Heritage is providing the fuel and de-icing. Vermont Teddy Bear, Turtlefur, and Photobooth are all donors.

9.0 AIRPORT COMMISSIONERS' ITEMS

Jeff Munger asked about the status of the RFP for ground transportation at the airport because the taxi drivers are feeling they are not getting any help. Gene Richards said staff is working on the RFP and did not anticipate how long the QTA is taking. Resources from the QTA were to be used for the Director of Transportation position.

10.0 ADJOURNMENT

Next meeting(s):

- December 5, 2016 – Sound Mitigation Meeting
- December 14, 2016 – Land Use/Re-use Public Meeting
- January 17, 2017 – Airport Commission meeting, 3 PM
- February 21, 2017 – Airport Commission meeting, 3 PM

MOTION by Bill Keogh, SECOND by Jeff Munger, to adjourn the meeting.

VOTING: unanimous (4-0)[Alan Newman not present for vote]; motion carried.

The meeting was adjourned at 5:32 PM.

RScty: MERiordan

City of Burlington
BURLINGTON INTERNATIONAL
AIRPORT
November 2016

FINANCIAL STATEMENTS





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- Days Cash on Hand historical chart
- FY 2016 Audit (attached in a separate file)

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The Burlington International Airport, City of Burlington is an Equal Opportunity Employer



Budget Performance Report

Fiscal Year to Date 11/30/15

Only Show Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	YTD Encumbrances	FY 2016 YTD Transactions	Remaining Balance	% used/ Rec'd
Fund 400 - Airport								
REVENUE								
4247	Fees and Permits	104,850.00	.00	104,850.00	.00	44,835.00	60,015.00	43%
4267	Utility Reimbursement	46,967.00	.00	46,967.00	.00	18,128.77	28,838.23	39%
4275	Rent & Lease	.00	.00	.00	.00	.00	.00	+++
4295	Parking Fees	5,825,000.00	.00	5,825,000.00	.00	2,211,875.12	3,613,124.88	38%
4297	CFC's	1,180,000.00	.00	1,180,000.00	.00	666,660.00	513,340.00	56%
4345	Advertising Revenues	118,000.00	.00	118,000.00	.00	85,359.25	32,640.75	72%
4390	Concessions	260,000.00	.00	260,000.00	.00	118,891.36	141,108.64	46%
4440	Taxi Fees	46,900.00	.00	46,900.00	.00	61,014.00	(14,114.00)	130%
4445	Terminal Rent - Exclusive	1,127,147.00	.00	1,127,147.00	.00	565,027.34	562,119.66	50%
4450	Terminal Rent - Commonuse	1,467,928.00	.00	1,467,928.00	.00	611,636.66	856,291.34	42%
4455	Terminal Concessions Airport	525,200.00	.00	525,200.00	.00	285,561.07	239,638.93	54%
4460	Rental Car Concessions	1,777,468.00	.00	1,777,468.00	.00	1,124,974.50	652,493.50	63%
4465	Rent Grounds	380,774.00	.00	380,774.00	.00	145,022.23	235,751.77	38%
4470	Rent Buildings	1,204,998.00	.00	1,204,998.00	.00	543,789.56	661,208.44	45%
4475	Landing Fees	1,825,884.00	.00	1,825,884.00	.00	735,405.07	1,090,478.93	40%
4480	PFC Revenue	2,400,000.00	.00	2,400,000.00	.00	813,334.75	1,586,665.25	34%
4500	Airport Apron Fees	.00	.00	.00	.00	.00	.00	+++
4505	Terminal Non Airline	575,061.00	.00	575,061.00	.00	248,888.19	326,172.81	43%
4535	Misc Rev	3,000.00	.00	3,000.00	.00	1,178.09	1,821.91	39%
4600	Fees For Services	.00	.00	.00	.00	3,719.00	(3,719.00)	+++
4700	Interest / Investment Income	33,500.00	.00	33,500.00	.00	1,777.38	31,722.62	5%
4702	Interest Income PFC	4,000.00	.00	4,000.00	.00	1,351.93	2,648.07	34%
4703	Restricted Interest Income	.00	.00	.00	.00	17,033.16	(17,033.16)	+++
4705	Unrealzd Gain/Loss-Invest	.00	.00	.00	.00	(7,686.86)	7,686.86	+++
4750	Gain/Loss On Asset	.00	.00	.00	.00	17,898.70	(17,898.70)	+++
4825	Interdepartmental	.00	.00	.00	.00	.00	.00	+++
4850	Cash Over	.00	.00	.00	.00	1,183.51	(1,183.51)	+++
4900	Participant Charges	.00	.00	.00	.00	.00	.00	+++
4961	Property Tax Reimbursement - Airport	208,000.00	.00	208,000.00	.00	143,742.14	64,257.86	69%
REVENUE TOTALS		\$19,114,677.00	\$0.00	\$19,114,677.00	\$0.00	\$8,460,599.92	\$10,654,077.08	44%
EXPENSE								
5000	Salaries and Wages	2,356,815.00	.00	2,356,815.00	.00	883,996.15	1,472,818.85	38%
5100	Overtime	225,000.00	.00	225,000.00	.00	70,085.63	154,914.37	31%
5200	Other Personal Service	167,415.00	.00	167,415.00	.00	33,525.20	133,889.80	20%
5400	Employee Benefits	1,246,199.00	.00	1,246,199.00	.00	400,973.95	845,225.05	32%
6000	Office Supplies	14,000.00	.00	14,000.00	116.60	2,249.59	11,633.81	16%
6005	Postage	1,500.00	.00	1,500.00	14.93	463.35	1,021.72	31%
6007	Shipping and Moving	6,000.00	.00	6,000.00	.00	1,106.47	4,893.53	18%
6010	Computer Equipment	45,560.00	.00	45,560.00	94.63	4,139.95	41,325.42	9%
6015	Computer Software	62,500.00	.00	62,500.00	.00	.00	62,500.00	0%
6017	Computer Licensing and Maint.	17,000.00	18,000.00	35,000.00	342.04	19,089.33	15,568.63	55%
6020	Office Equipment	5,000.00	.00	5,000.00	.00	650.00	4,350.00	13%
6025	Furnishings	5,000.00	.00	5,000.00	.00	.00	5,000.00	0%
6200	Medical Fees And Supplies	2,500.00	.00	2,500.00	.00	839.18	1,660.82	34%
6202	Printing/Copying/Paper Mgt	2,500.00	.00	2,500.00	.00	370.01	2,129.99	15%
6203	Dues/Subscriptions	86,000.00	.00	86,000.00	11,514.52	55,740.23	18,745.25	65%
6205	Cash Short	.00	.00	.00	.00	4,194.25	(4,194.25)	+++
6206	Custodian Supplies	65,000.00	.00	65,000.00	.00	26,981.04	38,018.96	42%
6208	Special Supplies	14,000.00	.00	14,000.00	58.00	5,438.97	8,503.03	39%



Budget Performance Report

Fiscal Year to Date 11/30/15

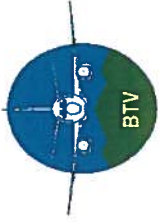
Only Show Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	YTD Encumbrances	YTD Transactions	Remaining Balance	% used/ Rec'd
6210	Small Tools and Equipment	18,000.00	.00	18,000.00	1,229.85	10,413.32	6,356.83	58%
6211	Specialized Equipment	.00	.00	.00	.00	.00	.00	+++
6212	Fuel	174,000.00	.00	174,000.00	88,976.30	11,023.70	74,000.00	6%
6214	Clothing And Uniforms	11,000.00	.00	11,000.00	.00	851.89	10,148.11	8%
6215	Uniform Laundering	22,000.00	.00	22,000.00	6,375.66	7,624.34	8,000.00	35%
6216	Oil & Grease & Antifreeze	40,000.00	.00	40,000.00	.00	6,928.50	33,071.50	17%
6222	Runway De-Ice	200,000.00	.00	200,000.00	100,000.00	.00	100,000.00	0%
6300	Repair & Maintenance	826,500.00	49,000.00	875,500.00	147,766.41	245,010.56	482,723.03	28%
6350	Legal Notice & Advertising	3,000.00	.00	3,000.00	.00	.00	3,000.00	0%
6400	Utilities	1,560,000.00	.00	1,560,000.00	425.00	378,174.60	1,181,400.40	24%
6500	Professional and Consultant Services	1,142,000.00	.00	1,142,000.00	62,589.98	338,216.17	741,193.85	30%
6600	Maintenance Contracts	300,000.00	(18,000.00)	282,000.00	137,336.06	77,266.41	67,397.53	27%
6605	Radio Maintenance	20,000.00	.00	20,000.00	3,038.00	3,200.50	13,761.50	16%
6610	Custodial Contracts	682,000.00	.00	682,000.00	55,125.00	275,625.00	351,250.00	40%
6615	Property Repairs	200,000.00	.00	200,000.00	19,200.00	17,000.00	163,800.00	9%
6620	Contractual Vehicle Repair	22,000.00	.00	22,000.00	94.99	2,489.28	19,415.73	11%
6625	Equipment Maintenance Repairs	150,000.00	.00	150,000.00	7,320.69	44,186.44	98,492.87	29%
6700	Travel & Training	98,000.00	.00	98,000.00	.00	11,143.52	86,856.48	11%
6800	Fees for Services	35,000.00	.00	35,000.00	1,026.00	16,105.57	17,868.43	46%
7000	Bad Debt Expense	2,000.00	.00	2,000.00	.00	108.00	1,892.00	5%
7002	Interest Expense	.00	.00	.00	.00	.00	.00	+++
7004	Interest Expense - Restricted	.00	.00	.00	.00	4,066.53	(4,066.53)	+++
7010	Depreciation Expense	.00	.00	.00	.00	.00	.00	+++
7200	Capital Leases	373,000.00	.00	373,000.00	2,025.00	3,980.80	366,994.20	1%
7230	Insurance	243,641.00	.00	243,641.00	.00	145,672.73	97,968.27	60%
7303	Regulatory and Bank Fees	120,000.00	.00	120,000.00	.00	61,432.04	58,567.96	51%
7312	Real Estate Taxes	1,553,000.00	.00	1,553,000.00	6,144.90	647,083.35	899,771.75	42%
8005	Vehicle/Equipment Repairs	.00	.00	.00	.00	.00	.00	+++
8015	Indirect Fees	343,605.00	.00	343,605.00	.00	143,169.40	200,435.60	42%
8016	Risk Management	9,000.00	.00	9,000.00	.00	.00	9,000.00	0%
8017	Indirect Fees - City Attorney	9,923.00	.00	9,923.00	.00	4,135.00	5,788.00	42%
8018	Management Fee - Parking Garage	674,225.00	.00	674,225.00	.00	234,326.26	439,898.74	35%
8035	FAA - Airport Security	.00	.00	.00	.00	.00	.00	+++
8095	Interest On Pooled Cash	34,000.00	.00	34,000.00	.00	3,516.46	30,483.54	10%
8135	Airport Security To Police	1,014,000.00	.00	1,014,000.00	.00	422,500.00	591,500.00	42%
OPERATING EXPENSE TOTALS		\$14,201,883.00	\$49,000.00	\$14,250,883.00	\$650,814.56	\$4,625,093.67	\$8,974,974.77	37%

OPERATING PROFIT

\$3,835,506.25

Burlington International Airport
 Fiscal Year 2017
 Debt Coverage Score



DESCRIPTION	July	August	September	October	November
Total Revenue	1,452,203	2,878,916	4,863,332	6,788,615	8,333,359
Less: PFC Revenue	0	(175,698)	(365,936)	(658,937)	(789,652)
Less: PFC Interest Income	(368)	(788)	(1,222)	(1,604)	(1,986)
Total Net Revenue	1,451,835	2,702,430	4,496,174	6,128,074	7,541,721
Operating Expenses	804,033	1,335,662	2,394,070	3,583,851	4,694,654
Total Net Operating Income	637,418	1,366,768	2,102,104	2,544,223	2,847,067
+ PFC available for Debt Service	98,022	196,044	294,066	392,088	490,110
Funds Available for Debt Service	735,440	1,562,812	2,396,170	2,936,311	3,337,177
* + Debt Principal & Interest Payments	304,162	608,323	912,485	1,216,646	1,520,808
Debt Service Coverage Score - Methodology #1	2.42	2.57	2.63	2.41	2.19
Apply 125% PFC Revenue towards debt	24,506	49,011	73,517	98,022	122,528
Funds Available for Debt Service	759,946	1,611,823	2,469,687	3,034,333	3,459,705
Debt Service Coverage Score - Methodology #2	2.50	2.65	2.71	2.49	2.27
Fiscal Year 2016					
Debt Coverage Score					
Debt Service Coverage Score - Methodology #1	2.84	2.90	2.39	2.50	2.46
Debt Service Coverage Score - Methodology #2	2.92	2.98	2.47	2.58	2.54



**BURLINGTON INTERNATIONAL AIRPORT
ACCOUNTS RECEIVABLE
AIP PROJECTS
AS of December 31, 2016**



NW FUND	AIP #	PROJECT DESCRIPTION	A/R BALANCE 06/30/16	TOTAL PROJECT EXPENSES FY 2017	GRANT %	% OF PROJECT EXPENSES FY 2017	REIMBURSE- MENTS FY 2017	A/R BALANCE 09/30/16
								-
403	109	LAND ACQUISITION 17	-	385,428	96%	370,011	-	370,011
404	87	LAND ACQUISITION 2011	3,344				(3,344)	-
405	84	LAND ACQUISITION 2010 phase 2	1,015				(1,015)	-
407	88	LAND 2011B	59,248	1,352	98%	1,324.96	-	60,573
409	81	LAND 2010 PROPERTIES	67,115	-	98%	-	-	67,115
426	78	LAND 2010 NOISE	1,991		98%	-	(1,991)	0
430	91	PART 150 NEM UPDATE	3,342		96%	-	-	3,342
432	92	LAND 2012 NOISE	76,044	263,283	96%	252,751.68	(297,304)	31,492
433	94	LAND 2012 B NOISE	60,713	30,825	96%	29,592	-	90,305
436	97	DESIGN UPDATE SECURITY	64,386	-	96%	-	-	64,386
437	98	LAND 1998	321				(321)	0
439	100	AIR CARRIER APRON PHASE 1	34,318	-	96%	-	-	34,318
440	101	SECURITY SYSTEM UPDATE	189,036	1,521	96%	1,460	-	190,496
442	105	LAND ACQUISITION FY 15	221,002	94,542	96%	90,760	(215,605)	96,157
443	106	GLYCOL PROJECT	258,142	1,417,466	96%	1,360,767	(1,474,767)	144,142
444	103	AIR CARRIER APRON PHASE II	220,738	53,950	96%	51,792	-	272,530
445	104	TAXIWAY K CONSTRUCTION	820,135	934,851	96%	897,457	(1,582,001)	135,591
446	108	LAND ACQUISITION 2016	14,664	1,301,008	96%	1,248,968	(763,563)	500,068
447		TAXIWAY ALPHA CONSTRUCTION	88,348	73,877	96%	70,922	-	159,270
448		TAXIWAY GULF CONSTRUCTION	138,179	162,568	96%	156,065	-	294,244
449	107	AIR CARRIER APRON PHASE 3	61,862	21,165	96%	20,318	(70,463)	11,718
								-
TOTALS			2,383,944	\$ 4,741,836		\$ 4,552,190	\$ (4,410,374)	\$ 2,525,759

Burlington International Airport

Cash and Investments

December 31, 2016

<u>Account</u>	<u>Account Description</u>	<u>Balance</u>
1000_400	Bank Account Airport	1,958,937
1000_415	Bank Account Airport - Prepaid Cash Acct TD	488,404
1000_420	Bank Account CFC	3,719,875
1000_474	Cash Restricted Burl Arpt 2014 A Debt Serv. Res	1,419,064
1050_400	Cash Restricted Air Debt Service Fund	1,904,770
1050_420	Cash Restricted Escrows - Airport PFC TD Bank	2,533,710
1050_425	Cash Restricted Escrows - Airport - Op Maint Res	3,298,886
1050_430	Cash Restricted Esc - Airport Res Acct - TD Bank	216,518
1050_487	Cash Restricted Airport Debt Service Res. 2012 A	1,648,748
1050_488	Cash Restricted Airport Debt Service Res. 2012 B	650,420
1050_496	Cash Restricted AIP Deposit Keybank	28,306
1050_495	Projects Operating Acct/Escrow GAN Keybank	-
Total Cash and Investments		<u>17,867,638</u>
1100_999	(Due To) / Due From Pooled Cash	<u>(169,977)</u>

To: Airport Commissioners

From: Marie Friedman, CPA

Date: January 13, 2017

Re: Financial Highlights for January 17th 2017 commission meeting

- Revenues are at 43% of budget, which is slightly less than 1 year ago.
- Parking revenues are up approximately \$36,000 compared to November Year to date, 2015. Monthly revenues were higher than the prior year for September, October and November.
- Other revenues are very similar to last year, and what we expect.
- Expenditures are at 38% of budget. Very similar to spending from last year.
- Debt Coverage score is currently at 2.27 compared 2.54 last year. The score always trend higher at the beginning of our fiscal.
- The AIP receivable is \$2,525,759 as of December 31, 2016. BTV has expended \$4,741,836 in AIP projects this Fiscal Year. BTV has collected \$4,410,374 in the first 5 months of this year, with multiple requests into the FAA currently waiting for reimbursement. BTV owes Keybank \$884,716 on the Grant Anticipation Note as of December 31st.
- Cash update: BTV owes the City \$169,977 for pooled cash as of December 31st. BTV also had \$1,958,937 in the Airport International account at December 31^h.
- The Airport Audit was completed and issued on December 21, 2016. The Airport had a good audit with no findings. Our Final Debt Coverage score for Fiscal Year 2016 was 1.67, which was an improvement over any prior years. An audit is attached.
- BTV Days Cash on Hand is 230. Attached is a chart showing Days cash on Hand since FY 2010. BTV has gone from 1 day cash on hand to 230. This is significant and will be viewed favorable by the rating agencies.
- BTV has received signed from American, Delta and Jet Blue. United is expected to sign any day.
- Budget 2018 planning is beginning

Fund Balances	2010	2011	2012	2013	2014	2015
Unrestricted Cash	\$15	\$600	\$19	\$167	1,440	2,442
O & M Reserve	-	-	1,472	3,101	3,155	3,288
Renewal and Replacement Reserve	-	-	215	215	215	215
Total Reserves and Unrestricted Cash	15	600	1,706	3,483	4,810	5,945
Operating Expenses	10,456	10,880	11,259	11,631	12,508	12,347
Daily Budget	28.65	29.81	30.85	31.87	34.27	33.83
Days On hand	1	20	55	109	140	176

**CITY OF BURLINGTON, VERMONT
AIRPORT ENTERPRISE FUND**

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Burlington International Airport
City of Burlington, Vermont

Additional Offices:
Andover, MA
Greenfield, MA
Manchester, NH
Ellsworth, ME

Report on the Financial Statements

We have audited the accompanying financial statements of the Airport Enterprise Fund of the City of Burlington, Vermont (the Fund) as of and for the years ended June 30, 2016 and 2015, as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the City of Burlington, Vermont as of June 30, 2016 and 2015, and the changes in its financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fund of the City of Burlington, Vermont as of June 30, 2016 and 2015, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Proportionate Share of Net Pension Liability, and the Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016 on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Melanson Heath

December 21, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Burlington International Airport's annual financial report, management provides a narrative discussion and analysis of the financial activities for the year ended June 30, 2016. The Airport's performance is discussed and analyzed within the context of the accompanying financial statements and note disclosures following this section.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements include (1) the statement of net position, (2) the statement of revenues, expenses and changes in net position, (3) the statement of cash flows, and (4) notes to financial statements.

The Statement of Net Position is designed to indicate our financial position as of a specific point in time. At June 30, 2016, it shows our net position of \$131,313,359, a change of \$6,681,077 in comparison to the prior year.

The largest portion of net position, \$113,903,269, reflects our net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. This portion of net position increased \$4,319,564 from the prior year primarily from the acquisition of capital assets from AIP Grants less depreciation expense exceeding the debt service principal payment during the fiscal year.

An additional portion of net position, \$13,347,517, (restricted net position) represents resources that are subject to external restrictions on how they may be used. This portion of net position increased \$1,104,218 from the prior year primarily from the increase in restricted PFC balance.

The remaining balance of unrestricted net position was \$4,062,573. This portion of net position increased \$1,257,295 from the prior year from a variety of reasons including principal debt service payment being less than asset depreciation (which reduced net investment in capital assets, as noted above, and increased unrestricted net position) and operations.

The Statement of Revenues, Expenses and Changes in Net Position summarize our operating results and reveals how much, if any, of a profit was earned for the year. As discussed in more detail below, our change in net position for June 30, 2016 was \$6,681,077. There are two significant components of this increase. The first is the net loss before capital contributions of \$(954,420) which is primarily due to the Airport recognizing depreciation expense (not funded with rates and charges assessed) in excess of the principal debt service payments (funded with rates and charges). The second component is the recognition of the capital contributions received from the Federal Aviation Administration (FAA) and the State of Vermont for capital improvement of \$7,635,497. Collectively, these two components account for the net increase in Net Position.

The Statement of Cash Flows provides information about cash receipts and cash payments during the accounting period. It also provides information about investing and financing activities for the same period. A review of our Statement of Cash Flows indicates that cash receipts from operating activities adequately covered our operating expenses in fiscal year 2016.

Financial Highlights:

The following is a summary of condensed financial data for the current and prior fiscal years.

Summary of Net Position (000s)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Assets:			
Current and other assets	\$ 23,000	\$ 19,908	\$ 18,313
Capital assets	<u>153,755</u>	<u>150,781</u>	<u>149,764</u>
Total assets	176,755	170,689	168,077
Deferred outflows of resources	<u>1,279</u>	<u>803</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 178,034</u>	<u>\$ 171,492</u>	<u>\$ 168,077</u>
Liabilities:			
Current liabilities	\$ 5,015	\$ 3,905	\$ 4,122
Long term debt	<u>41,706</u>	<u>42,803</u>	<u>44,302</u>
Total liabilities	46,721	46,708	48,424
Deferred inflows of resources	-	152	-
Net position:			
Net investment in capital assets	113,903	109,584	105,762
Restricted	13,347	12,243	12,944
Unrestricted	<u>4,063</u>	<u>2,805</u>	<u>947</u>
Total net position	<u>131,313</u>	<u>124,632</u>	<u>119,653</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 178,034</u>	<u>\$ 171,492</u>	<u>\$ 168,077</u>

Summary of Changes in Net Position (000s)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Operating revenues	\$ 16,303	\$ 16,640	\$ 16,208
Operating expenses	<u>(18,044)</u>	<u>(17,811)</u>	<u>(18,857)</u>
Operating (loss)	(1,741)	(1,171)	(2,649)
Nonoperating revenues (expenses)			
Other revenue	3,046	3,182	2,947
Other expense	<u>(2,259)</u>	<u>(2,966)</u>	<u>(2,402)</u>
Total nonoperating revenues	<u>787</u>	<u>216</u>	<u>545</u>
Net income (loss) before capital contributions	(954)	(955)	(2,104)
Capital contributions - grant	7,635	6,508	7,126
Capital contributions - other	<u>-</u>	<u>-</u>	<u>454</u>
Total capital contributions	<u>7,635</u>	<u>6,508</u>	<u>7,580</u>
Change in net position	6,681	5,553	5,476
Beginning net position, as restated	<u>124,632</u>	<u>119,079</u> *	<u>114,177</u>
Ending net position	<u>\$ 131,313</u>	<u>\$ 124,632</u>	<u>\$ 119,653</u>

* July 1, 2014 net position was restated for GASB 68, while prior periods were not restated. See Note 22.

Operating revenues changed by \$(336,889) in 2016, a decrease of 2%. Reasons for this change can be found in the Revenues section of this MD&A.

Operating expenses changed by \$233,378 in 2016, an increase of 1.3%. This change is attributed to the GASB 68 effect on pension expense.

Capital Assets:

Capital Assets - Net capital assets changed by \$2,973,291 in 2016. This change is primarily the difference between current year additions, net of \$8,901,933 and annual depreciation expense of \$5,928,642.

Additional information on capital assets can be found in the Footnotes to the Financial Statements.

Long-term Debt:

Long-term Debt - At the end of the current fiscal year, total bonded debt outstanding, including unamortized premiums, was \$38,557,769, all of which was backed by the full faith and credit of the government.

Additional information on long-term debt can be found in the Notes to the Financial Statements.

Historical Airport Operating and Financial Performance

The City accounts for the financial operations of the Airport as an Enterprise Fund. On an annual basis, the Airport has historically generated Revenues sufficient to pay its Operating Expenses, to meet its Bond Debt Service and to fund a portion of its capital expenses. In Fiscal Years 2011 through 2016, the Airport satisfied its Rate Covenant under the Resolution. The Rate Covenant requires the Airport to generate annual Revenues, net of Operating Expenses, of no less than 1.25 times Debt Service, and sufficient to meet all funding requirements for the Funds and Accounts under the Resolution. The City has paid all Bond Debt Service and capital lease obligations timely and in full. See “Recent Financial Performance” herein.

Revenues

The Airport derives its Revenues from a variety of sources, including terminal revenues, parking, landing fees, car rentals, concessions and rentals of buildings and grounds. It has also applied for and been granted permission by the FAA to charge and collect PFCs for qualified capital expenditures and certain debt service.

The following table shows each of these revenue items since fiscal year 2012:

Historical Revenues (000s)	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Airline Revenues					
Terminal Revenues	\$ 2,069	\$ 2,114	\$ 2,237	\$ 2,447	\$ 2,619
Landing Fee Revenues	1,769	1,623	1,501	1,630	1,671
Total Airline Revenues	3,838	3,737	3,738	4,077	4,290
Non-Airlines Revenues					
Parking Lot/Garage	7,050	5,870	5,894	5,742	5,407
Car Rental Concessions	1,738	1,868	2,119	2,114	1,911
Terminal & Airfield Concessions	623	-	-	-	-
Terminal Concessions	-	469	657	670	654
Terminal Non-Airline Rent	-	510	538	578	580
Building and Ground Rent	1,000	1,223	1,247	1,329	1,274
Other Non-Airline Revenues	793	798	748	919	958
Total Non-Airline Operating Revenues	11,204	10,738	11,203	11,352	10,784
CFC Revenues ¹	-	1,155	1,267	1,211	1,229
Total Operating Revenues	\$ 15,042	\$ 15,630	\$ 16,208	\$ 16,640	\$ 16,303
Y-O-Y Operating revenue Growth		3.9%	3.7%	2.7%	-2.0%
PFC Revenues	\$ 2,694	\$ 2,285	\$ 2,586	\$ 2,391	\$ 2,321

¹ Prior to FY 2013, CFC Revenues were included as part of Parking Lot/Garage Revenues

Terminal Revenues and Landing Fees

Terminal revenues and landing fees are paid by the airlines that operate at the Airport. Such fees are calculated pursuant to an Airport Use Agreement. The Airport has established five airport cost centers in order to fairly allocate Airport operating costs among the airlines and other tenants. The Airport's management completed negotiations with the Airlines in the Fall of 2016. As of the audit report date, several Airlines have signed agreements. The Airport expects all major airlines to sign the new five year contract. The new Airport Use Agreement, which is a residual method contract, outlines the airline rates and charges methodology which are in effect through June 30, 2021.

In Fiscal Year 2016, airline rates and charges increased 5.3% from the prior year. The Airport for Fiscal Year 2016 increased the terminal rents and landing fees by approximately \$213,000, due to the rate increase. Terminal and landing fee revenue represented approximately 26% of the Airport's total Revenue in Fiscal Year 2016.

Parking

The City has made substantial investments since 2009 to expand parking capacity and to connect the north garage to the Airport with an enclosed second story walkway.

Current parking fees in the garage are \$12 per day. Parking revenues represented approximately 33% of the Airport's total Operating Revenue in Fiscal Year 2016, with a decrease of 6% from the previous year.

Car Rental Facilities

Car rental revenues represented approximately 12% of the Airport's total Revenue in Fiscal Year 2016. Car Rental revenues decreased 9% from the previous year. Car rental facilities occupy office and counter space within the terminal building adjacent to the luggage receiving area. Over the past six years, collectively, the car rentals have had a minimum annual revenue guarantee (MAG) of approximately \$1.7 million per year, but the rental car companies have generated more revenue than the guaranteed minimum. In Fiscal Year 2016, the rental car companies generated Revenues to the airport approximately \$194,000 above the MAG, while in Fiscal Year 2015 revenues were approximately \$335,000 above MAG. In the fall of 2015, the Airport finalized car rental concession agreements with Avis/Budget, Hertz, Dollar, Enterprise, National/Alamo, which are in effect through June 30, 2020.

In addition to terminal space, the rental car companies also occupy the second floor north of the parking garage and an onsite car wash facility immediately north of the FAA Control Tower. The Airport imposes a \$4 per day CFC on each car rental transaction, which resulted in approximately \$1.2 million in revenue during Fiscal Year 2016. Approximately half of the collected CFCs are utilized to support the Debt Service allocable to the parking garage expansion and operating expenses of the garage per the car rental agreements. The City has allocated the other half of the CFC charges collected to design costs and future construction of a consolidated car wash/return facility to replace the existing facility. This new facility will also provide the airport with an opportunity for an additional revenue stream in the form of land lease and potentially transactions fees once it is constructed.

Terminal Concessions

Terminal concessions, such as food vendors Skinny Pancake, and gift/necessities vendors, such as Hudson News and other similar establishments, provide a variety of services for passengers, visitors and employees at the Airport. Skinny Pancake, a local restaurant with three locations at the Airport, and newly expanded Hudson News facilities opened in Fiscal Year 2013. Food concession revenues exceeded expectations for Fiscal Year 2016.

Terminal concession revenues represented approximately 4% or \$653,500 of the Airport's total Revenue in Fiscal Year 2016. The Airport realized concession revenue growth during Fiscal Year 2014 and these revenues remained strong and stable during Fiscal Year 2015 and 2016.

Buildings, Grounds and Airfield Concession Revenues

Building and ground rent and airfield concession revenues ("Other Non-Airline Revenues") include revenue from certain parcels within the existing Airport footprint that have been rented to firms such as Federal Express, Pratt & Whitney, and Heritage, as well as hangar and facility rentals from cooperatives using the Airport for general aviation.

Buildings, grounds and airfield concession revenues represented approximately 12% of the Airport's total Revenue in Fiscal Year 2016. During Fiscal Year 2016, these revenues remained stable from Fiscal Year 2015.

Other Revenue

Other Revenues include a federal operating grant, interest income, administrative fees and tenant reimbursements. The tenant reimbursement component relates to property tax and casualty insurance assessments. Changes to this miscellaneous income are primarily affected by fees assessed by third party agencies.

Passenger Facility Charges

The Airport has applied for and received authorization from the FAA to impose and collect PFCs to fund many of the capital improvements it has initiated since 1997. Currently, the Airport receives approximately \$2.3 million annually in PFC revenues, of which approximately \$1.1 million are used to pay that portion of Bond Debt Service attributable to authorized PFC projects.

As of June 30, 2016, the Airport had approximately \$2.6 million on deposit in the PFC Revenue Account, which is adequate to pay for the PFC projects being financed with Airport Revenue Bonds. The Airport expects to continue to apply for authority to impose and collect PFCs for future projects under applicable FAA regulations.

Expenses

The Airport's expenses include typical expense categories covering airport operations. One expense that is not paid for by the Airport is the Aircraft Rescue and Fire Fighting services that are provided by the VT Air National Guard (VTANG) as part of its lease with the Airport, saving the Airport approximately \$2.5 million annually.

Salaries and benefits increased 7% from Fiscal Year 2015 to Fiscal Year 2016, which is primarily because of benefit cost increases (approx. 5%) and approximately 2% from COLA increases. Service contracts represent third party maintenance and other non-capital projects. The City interdepartmental expenses are the amounts reimbursed by the Airport to the City for financial, legal and other necessary services the City provides to support the operations of the Airport. The City and Airport implemented a requirement that all purchases require a purchase order, and this is tracked within the accounting software package. The new purchase order requirement is intended to ensure that no expense is over the budgeted plan.

Recent Financial Performance

Airport Net Revenue was determined to have been above the Rate Covenant requirement of 1.25% of Debt Service in Fiscal Years 2011 through 2016. Debt Service, Operation and Maintenance expenses and other obligations of the Airport were fully and timely paid in each of those years.

The financial health and performance of the Airport is taken very seriously by the City, the Airport Commission and Airport management. Significant attention has been devoted to improving the Airport's financial operations in the past several years, including increasing non-airline dependent revenues and maintaining debt service coverage in accordance with the requirements of the Resolution.

The Airport finalized negotiations with the Airlines in the Fall of 2016. The City of Burlington City Council unanimously approved a resolution on December 12, 2016 granting the Director of Aviation authority to execute Airline Lease agreement with the Airlines. The Airline's most recent lease was executed in 1996. This new agreement calls for the terms to commence as of July 1, 2016, and continue for 5 years. The Airline lease sets the precedent for the methodology used to establish rates and charges, including landing fees, apron fees, and terminal rental rates. This basic methodology is referred to as a residual calculation giving greater risk to the airlines, while providing a sustainable financial future for the airport.

In future Fiscal Years, as was done in Fiscal Years 2011-2016, the Airport expects to employ a portion of its PFC revenues in its coverage calculations, consistent with current FAA regulations as to the use of these revenues. In Fiscal Year 2016, the City continued to hold Airport funds in segregated accounts and use such Revenues only for Airport purposes, including reimbursing the City for shared services and for payroll, payables and capital expenditure draws covered by the City on an interim basis, in accordance with FAA regulations. PFC Revenues will continue to be deposited to a segregated PFC fund and used exclusively for projects approved for their use by the FAA, including the payment of debt service allocable to such projects.

The City and the Airport are continuing to carefully review any opportunity to increase revenues and decrease expenses. The Airport continually evaluates smart ways to increase non-airline revenues to help balance rates and charges billed to the Airlines. All expiring leases are being viewed as opportunities to improve the facility and increase rental revenue. The Airport also is continuing to request reimbursement (through the PFC program) for certain local matching amounts that the City contributed to the FAA approved projects. The local AIP share equals approximately \$124,000 in Fiscal Year 2016.

It is the goal of these initiatives to (i) provide additional transparency in the handling of Airport funds; (ii) ensure timely and proactive responses to any unusual or unexpected financial events with respect to the Airport; and (iii) achieve Debt Service coverage well in excess of the Resolution's mandate of 125% of Debt Service. The new Airline Lease agreement, currently out for signatures, negotiated into the agreement that the airport debt coverage ratio will be 150% of Debt Service. If the Airport debt coverage ratio exceeds 150% at year end, starting with Fiscal Year 2017, a credit will be issued back to the Airlines. If the Airport has less than 200 days cash on hand, only 50% of any overpayments will be due back to the airlines.

We believe this presentation tells our most accurate success story from fiscal years 2012 through 2016.

**Rate Covenant Calculation
From FY 2012 to 2016 (000s)**

Fiscal Year Ended June 30

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues	\$ 15,080	\$ 15,890	\$ 16,382	\$ 16,933	\$ 16,677
O&M Expenses (as defined)	<u>11,259</u>	<u>11,731</u>	<u>12,508</u>	<u>12,347</u>	<u>12,376</u>
Net Revenues (as defined)	<u>\$ 3,821</u>	<u>\$ 4,159</u>	<u>\$ 3,874</u>	<u>\$ 4,586</u>	<u>\$ 4,301</u>
PFC Revenues Available for DS	\$ 1,939	\$ 1,938	\$ 1,291	\$ 1,284	\$ 1,087
Funds Available for DS	\$ 5,760	\$ 6,097	\$ 5,165	\$ 5,870	\$ 5,388
25% PFC Revenue for DS coverage	<u>485</u>	<u>485</u>	<u>323</u>	<u>321</u>	<u>272</u>
Adjusted funds Available for DS	<u>\$ 6,245</u>	<u>\$ 6,582</u>	<u>\$ 5,488</u>	<u>\$ 6,191</u>	<u>\$ 5,660</u>
Debt Service	\$ 4,195	\$ 4,268	\$ 3,402	\$ 3,956	\$ 3,386
Debt Service Coverage	1.37	1.43	1.52	1.48	1.59
Adjusted Debt Service Coverage	1.49	1.54	1.61	1.56	1.67

Liquidity

The following table reflects changes to the Fund's Liquidity since fiscal year 2012:

Liquidity Position (000s)	Fiscal Year Ended June 30				
	2012	2013	2014	2015	2016
Cash and Investment balances					
Unrestricted cash ¹	\$ 19	\$ 167	\$ 1,440	\$ 2,442	\$ 4,271
O&M Reserve	1,472	3,101	3,155	3,288	3,295
Renewal and Replacement Reserve	215	215	215	215	216
PFCs ²	2,498	1,967	1,242	1,955	2,685
PFC Rolling Coverage	485	485	486	487	488
Debt Service Reserve Fund	4,600	4,351	4,047	3,740	3,782
Bond Debt Service Reserve ³	3,453	2,846	3,798	2,558	2,882
BAN Reserve	388	-	-	-	-
Grant Anticipation Note Reserve	500	300	-	-	-
Total cash and investments	\$ 13,630	\$ 13,432	\$ 14,383	\$ 14,685	\$ 17,619

¹ At 6/30/16, includes \$3,038 in CFC Funds intended to be used for additional RAC facilities and \$679 in contributions for a potential new Aviation Tech Center. At June 30, 2015, includes \$2,276 in CFC Funds, and \$679 in contributions for a potential new Aviation Tech Center.

² As a result of fiscal year 2015 refunding, our debt service requirements decreased, thereby providing for an increase in our year-end PFC cash position.

³ Represents 1/6 Interest and 1/12 Principal Payments

The current year increase in cash and investments of \$2,933,037 is primarily due to an increase of \$1,828,819 in unrestricted cash and an increase of \$730,965 in PFC reserves. Increase in unrestricted cash partly relates to timing of payments made to vendors (current year accounts payable is higher than prior year) and the current year use of the line of credit for AIP related expenses drawn on prior to grant reimbursement.

Bond Rating Changes

On November 12, 2014, Moody's Investors Service upgraded to Baa3 from BA1 Burlington Airport's Revenue bonds, and assigned a Baa3 rating to the upcoming series 2014A bonds. The rating was maintained by Moody's on December 11, 2015.

REQUESTS FOR INFORMATION:

This financial report is designed to provide a general overview of the City of Burlington Airport Enterprise Fund's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Clerk/Treasurer
City of Burlington, City Hall
149 Church Street
Burlington, VT 05401

CITY OF BURLINGTON, VERMONT

AIRPORT ENTERPRISE FUND
STATEMENT OF NET POSITION

JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current:		
Cash and cash equivalents	\$ 4,271,079	\$ 2,442,260
Accounts receivable, net of allowance for doubtful accounts	1,382,747	1,217,605
Intergovernmental receivables	2,634,698	2,543,938
Unbilled receivables	312,480	322,534
Inventory	247,544	266,194
Due from Burlington Community Development Corp.	70,007	67,941
Accrued interest receivable	-	15
	<hr/>	<hr/>
Total current assets	8,918,555	6,860,487
Noncurrent:		
Restricted cash for passenger facility charges (PFC)	2,685,078	1,955,129
Restricted cash for prepaid cash reserve (PFC)	487,792	486,776
Restricted cash for R&R reserve fund	216,247	215,764
Restricted cash for debt service reserve	1,217,999	1,515,851
Restricted cash for bond debt service fund	2,881,487	2,558,285
Restricted cash for O&M reserve fund	3,294,755	3,287,966
Restricted investment for debt service reserve	2,564,159	2,223,528
Due from Burlington Community Development Corp.	734,084	804,091
Land and construction in progress	56,119,246	58,087,086
Capital assets, net of accumulated depreciation	97,635,505	92,694,374
	<hr/>	<hr/>
Total noncurrent assets	167,836,352	163,828,850
TOTAL ASSETS	176,754,907	170,689,337
DEFERRED OUTFLOWS OF RESOURCES		
Pension related:		
Changes in proportional share of contributions	712,624	521,592
Difference between actual and expected experience	102,628	-
Difference between projected and actual investment earnings	193,578	-
Deferred current year pension contributions	270,003	281,375
	<hr/>	<hr/>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,278,833	802,967
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 178,033,740</u>	<u>\$ 171,492,304</u>

(continued)

CITY OF BURLINGTON, VERMONT

AIRPORT ENTERPRISE FUND
STATEMENTS OF NET POSITION

JUNE 30, 2016

(continued)

	<u>2016</u>	<u>2015</u>
LIABILITIES		
Current:		
Accounts payable	\$ 2,082,976	\$ 1,587,993
Accrued liabilities	61,870	87,561
Unearned revenue	1,384,957	1,331,516
Accrued interest	837,762	897,879
Line of credit	-646,602	-
Current portion of capital leases payable	154,786	150,798
Current portion of revenue bonds payable	<u>2,198,155</u>	<u>1,842,077</u>
Total current liabilities	7,367,108	5,897,824
Noncurrent:		
Capital leases payable, net of current portion	492,324	647,110
Revenue bonds payable, net of current portion	36,359,614	38,557,770
Accrued employee compensated absences	192,783	200,047
Other post-employment benefits	139,084	126,442
Net pension liability	<u>2,169,468</u>	<u>1,278,506</u>
Total noncurrent liabilities	<u>39,353,273</u>	<u>40,809,875</u>
TOTAL LIABILITIES	46,720,381	46,707,699
DEFERRED INFLOWS OF RESOURCES		
Pension related:		
Difference between projected and actual investment earnings	-	152,323
NET POSITION		
Net investment in capital assets	113,903,269	109,583,705
Restricted	13,347,517	12,243,299
Unrestricted	<u>4,062,573</u>	<u>2,805,278</u>
TOTAL NET POSITION	<u>131,313,359</u>	<u>124,632,282</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 178,033,740</u>	<u>\$ 171,492,304</u>

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

CITY OF BURLINGTON, VERMONT

AIRPORT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues:		
Charges for services	\$ 16,148,693	\$ 16,494,977
Intergovernmental	<u>154,266</u>	<u>144,871</u>
Total Operating Revenues	16,302,959	16,639,848
Operating Expenses:		
Personnel costs	4,106,060	3,677,473
Non-personnel costs	8,009,403	8,323,633
Depreciation	<u>5,928,642</u>	<u>5,809,621</u>
Total Operating Expenses	<u>18,044,105</u>	<u>17,810,727</u>
Operating Loss	(1,741,146)	(1,170,879)
Other Income (Expenses):		
Passenger facility charges	2,321,431	2,390,880
Interest income	80,386	54,186
Amortization of bond premium	192,077	350,422
Interest expense and fiscal charges	(1,709,619)	(2,478,256)
Building rent	352,769	327,614
Building rental expenses	(549,408)	(488,206)
Gain on sale of asset	29,149	18,174
Other income	<u>69,941</u>	<u>41,257</u>
Total Other Income (Expenses)	<u>786,726</u>	<u>216,071</u>
Net Loss Before Capital Contributions	(954,420)	(954,808)
Capital contributions - AIP Grants	<u>7,635,497</u>	<u>6,508,327</u>
Change in Net Position	6,681,077	5,553,519
Net Position at Beginning of Year, as restated	<u>124,632,282</u>	<u>119,078,763</u>
Net Position at End of Year	<u>\$ 131,313,359</u>	<u>\$ 124,632,282</u>

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

CITY OF BURLINGTON, VERMONT

AIRPORT ENTERPRISE FUND
STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>Cash Flows From Operating Activities:</u>		
Receipts from customers and users	\$ 16,116,987	\$ 16,433,013
Receipts of operating grants	154,266	144,871
Other building rents	352,769	327,614
Payments to suppliers	(7,509,186)	(8,574,044)
Payments for wages and benefits	(3,850,185)	(3,564,240)
Other building expenses	<u>(549,408)</u>	<u>(488,206)</u>
Net Cash Provided By Operating Activities	4,715,243	4,279,008
<u>Cash Flows From Noncapital Financing Activities:</u>		
Interest paid on cash deficit to general fund	(4,077)	(21,979)
Loan payments from Burlington Community Development Corporation	<u>67,956</u>	<u>65,941</u>
Net Cash Provided By Noncapital Financing Activities	63,879	43,962
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Proceeds from issuance of refunding debt	-	15,660,000
Proceeds from premium	-	1,906,637
Payment to defease revenue bond	-	(17,580,000)
Payment of bond issuance costs	-	(615,177)
Acquisition and construction of capital assets	(8,908,219)	(6,826,833)
Proceeds from sale of assets	35,434	-
Capital grants	7,544,737	5,290,570
Passenger facility charges	2,321,431	2,390,880
Drawdowns on line of credit	1,017,925	-
Repayment of line of credit	(371,323)	-
Principal paid on revenue bonds	(1,650,000)	(2,160,000)
Principal paid on capital leases	(150,798)	(280,521)
Interest paid on revenue bond	(1,675,525)	(1,810,292)
Interest paid on other debt	<u>(90,134)</u>	<u>(50,293)</u>
Net Cash (Used For) Capital and Related Financing Activities	(1,926,472)	(4,075,029)
<u>Cash Flows From Investing Activities:</u>		
Increase (decrease) in restricted cash and investments	(1,104,219)	700,306
Receipt of interest and dividends	<u>80,388</u>	<u>54,186</u>
Net Cash Provided By (Used For) Investing Activities	<u>(1,023,831)</u>	<u>754,492</u>
Net Change in Cash and Cash Equivalents	1,828,819	1,002,433
Unrestricted Cash and Cash Equivalents, Beginning of Year	<u>2,442,260</u>	<u>1,439,827</u>
Unrestricted Cash and Cash Equivalents, End of Year	<u>\$ 4,271,079</u>	<u>\$ 2,442,260</u>

(continued)

CITY OF BURLINGTON, VERMONT

AIRPORT ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

(continued)

	<u>2016</u>	<u>2015</u>
<u>Reconciliation of Operating Loss to Net Cash</u>		
<u>Provided By Operating Activities:</u>		
Operating loss	\$ (1,741,146)	\$ (1,170,879)
Depreciation	5,928,642	5,809,621
Other building rents	352,769	327,614
Other income	69,941	59,431
Other building expenses	(549,408)	(488,206)
Changes in:		
Receivables	(165,142)	(161,947)
Unbilled revenues	10,054	32,283
Inventories	18,650	(15,656)
Prepays	-	4,583
Deferred outflows of resources, pension related	(475,866)	(591,088)
Accounts payable	494,982	(236,730)
Accrued salaries and wages	(12,276)	32,505
Post employment benefits	12,642	23,000
Accrued compensated absences	(7,264)	3,746
Accrued liabilities	(13,415)	(2,608)
Unearned revenue	53,441	8,269
Net pension liability	890,962	492,747
Deferred inflows of resources, pension related	<u>(152,323)</u>	<u>152,323</u>
Net Cash Provided By Operating Activities	<u>\$ 4,715,243</u>	<u>\$ 4,279,008</u>

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

CITY OF BURLINGTON, VERMONT

AIRPORT ENTERPRISE FUND

NOTES TO THE FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. *The Financial Reporting Entity*

The City of Burlington, Vermont Airport Enterprise Fund (the Fund) is a municipally owned airport organized in 1920. The Airport is located in South Burlington, Vermont.

The Fund is an enterprise fund within the City of Burlington, Vermont (City). As such, this financial statement is not intended to present the financial position and results of operations of the City of Burlington, Vermont as a whole.

The accounting policies of the Fund conform to generally accepted accounting principles as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

B. *Basis of Presentation*

Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Based on the above definition, the Fund is accounted for utilizing enterprise fund accounting.

C. *Measurement Focus*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Fund equity (i.e., total net position) is segregated into net investment in capital assets, restricted net position, and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

D. Basis of Accounting

Basis of accounting refers to when revenue and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements are prepared utilizing the accrual basis of accounting. Accordingly, revenues and expenses are recognized at the time goods and services are provided or received.

Operating revenues are defined as income received from the rent of terminal space and buildings, landing fees, concession commissions and parking receipts.

Nonoperating revenues are defined as income received from sources other than that defined above. Nonoperating revenues include investment income, passenger facility charges (PFC), grant income, building rents from buildings purchased for future expansion and the sale of equipment.

Operating expenses are defined as the ordinary costs and expenses of the Airport for operations, maintenance and repairs. Operating expenses include the costs of operating the Airport and related buildings as well as administrative and general expenses and depreciation and amortization. Operating expenses do not include the principal and interest on bonds, notes or other indebtedness, certain grant expenses, amortization of bond issue costs, or expenses related to the rental of buildings purchased for future expansion.

E. Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

F. Cash, Cash Equivalents and Investments

Deposits with financial institutions consist primarily of demand deposits and savings accounts.

Cash recorded by the Fund is combined with cash of the City in determining amounts covered by Federal Depository Insurance or by collateral held by the City's banks.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments for the Fund consist of debt related securities which are carried at fair value.

G. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables. Unbilled revenues consist of various revenues earned as of June 30 but not yet billed as of that date.

H. Inventories

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories at the Airport consist of maintenance supplies and parts.

I. Capital Assets

Capital assets, which include property, land improvements, buildings and improvements, vehicles, and equipment is recorded at cost including equipment acquired under capital leases that transfer substantially all risks of ownership to the Fund. Contributed assets are recorded at acquisition value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The Fund's capitalization policy considers two factors. Property will be capitalized when:

1. The combined cost to put a unit in service totals more than \$10,000.
2. The unit's estimated life is greater than five (5) years.

Interest incurred during the construction phase for the Fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period.

The Fund follows the policy of charging to expenses annual amounts of depreciation which allocates the cost of plant and equipment over their estimated useful lives. The Fund employs the straight-line method for determining the annual charge for depreciation.

The depreciable lives of capital assets are as follows:

	<u>Depreciable Lives</u>
Land improvements	30 Years
Buildings and improvements	25 - 150 Years
Infrastructure	10 - 40 Years
Machinery, equipment and vehicles	5 - 15 Years

J. Long-Term Obligations

In the Fund's statements revenue bonds payable, capital leases payable, accrued employee compensated absences, other post-employment benefits (OPEB), and net pension liability are reported as long term liabilities.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. As of June 30, 2016 and 2015 the Fund's bank balance was \$14,959,082 and \$14,669,820 respectively. Disclosures related to collateralization are included in the City's Comprehensive Annual Financial Report.

3. INVESTMENTS

A. *Credit Risk*

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment.

The Fund invests in US Treasury Notes, which have an implied credit rating of AAA.

B. *Custodial Credit Risk*

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Fund does not have a policy for custodial credit risk.

C. *Concentration of Credit Risk*

The Fund does not have an investment in one issuer greater than 5% of the total investments for the City.

D. *Interest Rate Risk*

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Fund's investment in US Treasury Notes have maturities of one to five years.

E. *Fair Value*

The categorization of financial instruments within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The hierarchy is prioritized into three levels (with Level 3 being the lowest) defined as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2: Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the investments.

The fair value of the Fund’s investment in US Treasuries were determined based on “Level 2” inputs. The valuation techniques used to measure the fair value of the “Level 2” instruments were valued based on quoted market prices or model-driven valuations using significant inputs derived from or corroborated by observable market data. The Fund does not have any marketable securities in the “Level 1” or “Level 3” category.

4. ACCOUNTS RECEIVABLE

Receivables consisted of the following:

	<u>2016</u>	<u>2015</u>
Customer/concessions receivables	\$ 1,409,068	\$ 1,243,926
Less: Allowance for Doubtful Accounts	<u>(26,321)</u>	<u>(26,321)</u>
Net Receivables	<u>\$ 1,382,747</u>	<u>\$ 1,217,605</u>

5. INTERGOVERNMENTAL RECEIVABLE

The majority of this balance represents reimbursements requested from the Federal Aviation Administration’s Airport Improvement Program (AIP), and State Department of Transportation, for capital related expenditures incurred in fiscal 2016 and 2015. Additional receivables represent other reimbursements from Federal and local governments. The receivables consisted of:

	<u>2016</u>	<u>2015</u>
Airport Improvement Projects:		
AIP 74 - 2009 Noise Land Acquisition	\$ -	\$ 197,262
AIP 78 - 2010 Noise Land Acquisition (A)	1,991	86,843
AIP 81 - 2010 Property Acquisition	67,115	155,497
AIP 84 - 2010 Noise Land Acquisition (B)	1,015	71,017
AIP 87 - 2011 Noise Land Acquisition (A)	3,344	178,151
AIP 88 - 2011 Noise Land Acquisition (B)	59,248	105,083
AIP 91 - Part 150 NEM Update	3,342	77,584
AIP 92 - 2012 Noise Land Acquisition (A)	76,044	179,450
AIP 94 - 2012 Noise Land Acquisition (B)	60,713	217,905
AIP 95 - Taxiway B Reconstruction	-	601,478
AIP 96 - Cargo Apron Rehab	-	75,879
AIP 97 - Design Update Security	64,386	63,314
AIP 101 - Security System Update	189,036	-
AIP 102 - Taxiway K (South)	-	106,992
AIP 103 - Air Carrier Apron Phase II	220,738	-
AIP 104 - Taxiway K Construction	820,135	-
AIP 105 - 2015 Noise Land Acquisition	221,002	-
AIP 106 - Glycol Project	258,142	72,096
AIP 107 - Air Carrier Apron Phase III	61,862	-
Other	275,830	236,736
Other Intergovernmental:		
City of South Burlington - property tax refund	117,955	-
Law Enforcement Officer Grant	75,266	118,651
Other	57,534	-
Total	<u>\$ 2,634,698</u>	<u>\$ 2,543,938</u>

6. DUE FROM BURLINGTON COMMUNITY DEVELOPMENT CORPORATION

In 2006, the Airport issued a \$1,400,000 note to Burlington Community Development Corporation (BCDC), a component unit of the City, to assist in financing the construction of a new Airport support hanger. The terms of the note require monthly payments of \$7,764 beginning in July, 2006 for twenty years with interest at 3%. The note is due in June 2026.

The outstanding balance at June 30 is as follows:

	<u>2016</u>	<u>2015</u>
Balance due	\$ 804,091	\$ 872,032
Less: current portion	<u>(70,007)</u>	<u>(67,941)</u>
Long term portion	<u>\$ 734,084</u>	<u>\$ 804,091</u>

Future maturities are anticipated to be as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 70,007	\$ 23,165	\$ 93,172
2018	72,136	21,036	93,172
2019	74,330	18,842	93,172
2020	76,591	16,581	93,172
2021	78,921	14,251	93,172
2022 - 2026	<u>432,106</u>	<u>33,788</u>	<u>465,894</u>
	<u>\$ 804,091</u>	<u>\$ 127,663</u>	<u>\$ 931,754</u>

7. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the years ended June 30 was as follows:

	2016			
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 23,066,462	\$ 864,910	\$ -	\$ 23,931,372
Construction in progress	<u>35,020,624</u>	<u>5,382,299</u>	<u>(8,215,049)</u>	<u>32,187,874</u>
Total capital assets, not being depreciated	58,087,086	6,247,209	(8,215,049)	56,119,246
Capital assets, being depreciated:				
Land improvements	68,169,214	9,440,361	-	77,609,575
Buildings and improvements	84,552,248	1,055,345	-	85,607,593
Machinery, equipment and vehicles	<u>10,332,419</u>	<u>380,353</u>	<u>(85,474)</u>	<u>10,627,298</u>
Total capital assets, being depreciated	163,053,881	10,876,059	(85,474)	173,844,466
Less accumulated depreciation for:				
Land improvements	(32,768,475)	(2,798,610)	-	(35,567,085)
Buildings and improvements	(31,984,299)	(2,527,534)	-	(34,511,833)
Machinery, equipment and vehicles	<u>(5,606,733)</u>	<u>(602,498)</u>	<u>79,188</u>	<u>(6,130,043)</u>
Total accumulated depreciation	<u>(70,359,507)</u>	<u>(5,928,642)</u>	<u>79,188</u>	<u>(76,208,961)</u>
Total capital assets, being depreciated, net	<u>92,694,374</u>	<u>4,947,417</u>	<u>(6,286)</u>	<u>97,635,505</u>
Total capital assets, net	<u>\$ 150,781,460</u>	<u>\$ 11,194,626</u>	<u>\$ (8,221,335)</u>	<u>\$ 153,754,751</u>

	2015			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets, not being depreciated:				
Land	\$ 21,878,462	\$ 1,188,000	\$ -	\$ 23,066,462
Construction in progress	29,569,076	5,737,310	(285,762)	35,020,624
Total capital assets, not being depreciated	51,447,538	6,925,310	(285,762)	58,087,086
Capital assets, being depreciated:				
Land improvements	68,135,260	33,954	-	68,169,214
Buildings and improvements	84,527,975	24,273	-	84,552,248
Machinery, equipment and vehicles	10,203,361	129,058	-	10,332,419
Total capital assets, being depreciated	162,866,596	187,285	-	163,053,881
Less accumulated depreciation for:				
Land improvements	(30,128,127)	(2,640,348)	-	(32,768,475)
Buildings and improvements	(29,415,441)	(2,568,858)	-	(31,984,299)
Machinery, equipment and vehicles	(5,006,318)	(600,415)	-	(5,606,733)
Total accumulated depreciation	(64,549,886)	(5,809,621)	-	(70,359,507)
Total capital assets, being depreciated, net	98,316,710	(5,622,336)	-	92,694,374
Total capital assets, net	\$ 149,764,248	\$ 1,302,974	\$ (285,762)	\$ 150,781,460

8. ACCOUNTS PAYABLE

Accounts payable and accrued liabilities represent 2016 expenditures paid on or after July 1, 2016.

9. SHORT TERM DEBT - LINE OF CREDIT

The Fund used a line of credit to finance airport improvement projects prior to grant reimbursement from the Federal Aviation Administration and the State Department of Transportation. On September 22, 2015, the Fund entered into Grant Anticipation Line of Credit in the principal amount of up to \$7,000,000 with an interest rate of \$2.75% which matures on September 20, 2016.

Short term debt activity for the year ended June 30, 2016 was as follows:

Description	Balance at		Balance at	
	7/1/15	Draws	Repayments	6/30/16
Line of credit	\$ -	\$ 1,017,925	\$ (371,323)	\$ 646,602

10. CAPITAL LEASE OBLIGATIONS

The Fund enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations for accounting purposes (even though they include clauses that allow for cancellation of the lease in the event the City does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date of the leases.

The Fund had the following leases outstanding at June 30:

	<u>2016</u>	<u>2015</u>
Capital lease for airport equipment. The rental payments are made twice a year for a total of \$173,460 annually including interest at 3.214% annually, maturing on June 26, 2020.	\$ 693,840	\$ 867,301
Capital lease payable via the City's general master lease program for airport equipment. The rental payments are made twice a year for a total of \$1,752 annually including interest at 1.96% annually, maturing on November 18, 2016.	<u>876</u>	<u>2,627</u>
Total lease payments	694,716	869,928
Less: amount that represents interest	<u>(47,606)</u>	<u>(72,020)</u>
Total lease obligation	647,110	797,908
Less: amount due within one year	<u>(154,786)</u>	<u>(150,798)</u>
Capital lease obligation, net of current portion	<u>\$ 492,324</u>	<u>\$ 647,110</u>

Future minimum lease payments consisted of the following as of June 30, 2016:

<u>Fiscal Year</u>	
2017	\$ 174,336
2018	173,460
2019	173,460
2020	<u>173,460</u>
Subtotal	694,716
Less amounts representing interest	<u>(47,606)</u>
Total	<u>\$ 647,110</u>

The following is an analysis for the leased assets included in capital assets at June 30:

	<u>2016</u>	<u>2015</u>
Machinery, vehicles and equipment	\$ 1,497,912	\$ 1,497,912
Less: accumulated depreciation	<u>(374,478)</u>	<u>(299,582)</u>
Equipment under capital leases, net	<u>\$ 1,123,434</u>	<u>\$ 1,198,330</u>

11. LONG-TERM DEBT

Revenue Bonds - The Fund issues bonds where the City pledges income to pay the debt service. Revenue bonds outstanding at June 30 are as follows:

2016					
<u>Description</u>	<u>Original Issue Amount</u>	<u>Serial Maturities Begin</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s)</u>	<u>Amount Outstanding as of 06/30/16</u>
Revenue Refunding Bond 2012 Series A	\$ 17,670,000	7/1/2019	7/1/2028	4.00 - 5.00%	\$ 17,670,000
Revenue Refunding Bond 2012 Series B	\$ 7,130,000	7/1/2013	7/1/2018	3.50%	4,085,000
Revenue Refunding Bond 2014 Series A	\$ 15,660,000	7/1/2015	7/1/2030	4.00 - 5.00%	15,285,000
Total					\$ <u>37,040,000</u>

2015					
<u>Description</u>	<u>Original Issue Amount</u>	<u>Serial Maturities Begin</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s)</u>	<u>Amount Outstanding as of 06/30/15</u>
Revenue Refunding Bond 2012 Series A	\$ 17,670,000	7/1/2019	7/1/2028	4.00 - 5.00%	\$ 17,670,000
Revenue Refunding Bond 2012 Series B	\$ 7,130,000	7/1/2013	7/1/2018	3.50%	5,360,000
Revenue Refunding Bond 2014 Series A	\$ 15,660,000	7/1/2015	7/1/2030	4.00 - 5.00%	15,660,000
Total					\$ <u>38,690,000</u>

Maturities are as follows (excluding the lease obligations):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,015,000	\$ 1,634,938	\$ 3,649,938
2018	2,110,000	1,551,838	3,661,838
2019	2,195,000	1,465,063	3,660,063
2020	2,245,000	1,364,675	3,609,675
2021	2,355,000	1,249,675	3,604,675
2022 - 2026	13,645,000	4,390,576	18,035,576
2027 - 2031	12,475,000	1,200,325	13,675,325
	\$ <u>37,040,000</u>	\$ <u>12,857,090</u>	\$ <u>49,897,090</u>

Unamortized Premium - Debt premiums in connection with the sale of bonds are amortized over the terms of the related debt. Unamortized balances are included as a component of long-term debt.

Changes in long-term debt and other obligations are as follows for the year ended June 30:

2016							
	Total Balance 7/1/15	Additions	Reduction	Refunding	Total Balance 6/30/16	Less Current Portion	Equals Long Term Portion
Revenue refunding bond 2012 series A	\$ 17,670,000	\$ -	\$ -	\$ -	\$ 17,670,000	\$ -	\$ 17,670,000
Revenue refunding bond 2012 series B	5,360,000	-	(1,275,000)	-	4,085,000	(1,305,000)	2,780,000
Revenue refunding bond 2014 series A	15,660,000	-	(375,000)	-	15,285,000	(710,000)	14,575,000
Total revenue bonds payable	38,690,000	-	(1,650,000)	-	37,040,000	(2,015,000)	35,025,000
Add unamortized premium	1,709,847	-	(192,078)	-	1,517,769	(183,155)	1,334,614
Subtotal	40,399,847	-	(1,842,078)	-	38,557,769	(2,198,155)	36,359,614
Obligations under capital leases	797,908	-	(150,798)	-	647,110	(154,786)	492,324
Compensated absences	200,047	-	(7,264)	-	192,783	-	192,783
Net OPEB obligation	126,442	12,642	-	-	139,084	-	139,084
Net pension liability	1,278,506	890,962	-	-	2,169,468	-	2,169,468
Total	\$ 42,802,750	\$ 903,604	\$ (2,000,140)	\$ -	\$ 41,706,214	\$ (2,352,941)	\$ 39,353,273

2015							
	Total Balance 7/1/14	Additions	Reduction	Refunding	Total Balance 6/30/15	Less Current Portion	Equals Long Term Portion
Revenue bond 2003 series A	\$ 17,580,000	\$ -	\$ -	\$ (17,580,000)	\$ -	\$ -	\$ -
Revenue bond 2003 series B	905,000	-	(905,000)	-	-	-	-
Revenue refunding bond 2012 series A	17,670,000	-	-	-	17,670,000	-	17,670,000
Revenue refunding bond 2012 series B	6,615,000	-	(1,255,000)	-	5,360,000	(1,275,000)	4,085,000
Revenue refunding bond 2014 series A	-	15,660,000	-	-	15,660,000	(375,000)	15,285,000
Total revenue bonds payable	42,770,000	15,660,000	(2,160,000)	(17,580,000)	38,690,000	(1,650,000)	37,040,000
Add unamortized premium	153,632	1,906,637	(350,422)	-	1,709,847	(192,077)	1,517,770
Subtotal	42,923,632	17,566,637	(2,510,422)	(17,580,000)	40,399,847	(1,842,077)	38,557,770
Obligations under capital leases	1,078,429	-	(280,521)	-	797,908	(150,798)	647,110
Compensated absences	196,301	3,746	-	-	200,047	-	200,047
Net OPEB obligation	103,442	23,000	-	-	126,442	-	126,442
Net pension liability	785,759	492,747	-	-	1,278,506	-	1,278,506
Total	\$ 45,087,563	\$ 18,086,130	\$ (2,790,943)	\$ (17,580,000)	\$ 42,802,750	\$ (1,992,875)	\$ 40,809,875

The 2003, 2012, and 2014 Revenue Bonds were issued pursuant to General Bond Resolutions and are secured by a pledge of net Airport revenues. Pursuant to the General Bond Resolutions, revenues means all rates, fees, charges or other income and includes rentals, proceeds of insurance or condemnation or other disposition of assets, proceeds of bonds or notes and earnings from the investment of revenues.

On an annual basis, revenues must be sufficient after deducting operating expenses to meet minimum debt service coverage requirements of 1.25. Revenues for this purpose represent all rates, charges, rents and other income, including PFC revenues available for debt service. Operating expenses represent O&M (operation and maintenance), excluding depreciation. Certain other exclusions apply. City's Bond Counsel has determined that the effect of GASB 68 on pension expense is excludable from O&M and, therefore, not included in determining Net Revenues available for debt service. If minimum debt service coverage requirements are not met, the Fund must take timely corrective action. The Fund met the required debt coverage ratio for 2016 and 2015 with 1.59 and 1.48, respectively. The primary factor

affecting the increase in the debt coverage ratio was due to the 2015 refinancing, which lowered the debt service principal and interest requirements. Even though there was a decrease in revenues during 2016, the reduction of debt service requirements caused an overall positive impact on the ratio.

12. REFUNDING

On December 17, 2014, the City issued revenue refunding bonds series 2014A in the amount of \$15,660,000 with a variable interest rate ranging from 4.00% to 5.00%. The bond proceeds plus premium of \$1,906,637 and other sources of \$2,486,850 (including the release of Series 2003A debt service reserve fund) was used to:

- Currently refund the \$17,580,000 revenue bonds, series 2003A issued for parking garage expansion, terminal access road infrastructure, elevated pedestrian walkway between the parking garage and the terminal, and terminal expansion, including passenger waiting areas, main terminal lobby and terminus for elected pedestrian walkway. The series 2003A revenue bond had interest rates ranging from 3.40% to 5.00% and the bond was maturing between July 1, 2015 and July 1, 2028. The series 2014A bond also paid the accrued interest of \$434,466 for the series 2003A at the time of refunding.
- Fund the \$1,423,844 debt service fund required for series 2014A bonds.
- Cover the \$615,177 series 2014A debt issuance costs.

The proceeds of \$20,053,487 from the refunding bonds and debt service release funds, net of issuance costs, were used to purchase U.S. Treasury bills, bonds, notes or securities and deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds are called on January 16, 2015. The current refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Fund's financial statements.

As a result of the current refunding, the Fund reduced its total debt service cash flow requirements by \$1.7 million through 2030, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$956,583 or 6.11% of the refunded 2003A bonds.

13. RESTRICTED NET POSITION

Restricted net position was comprised of the following at June 30:

	<u>2016</u>	<u>2015</u>
Restricted for debt service and capital projects (PFC)	\$ 2,685,078	\$ 1,955,129
Restricted for prepaid cash reserve (PFC)	487,792	486,776
Restricted for renewal and replacement reserve	216,247	215,764
Restricted for debt service reserve	3,782,158	3,739,379
Restricted for bond debt service reserve	2,881,487	2,558,285
Restricted for operations and maintenance reserve	<u>3,294,755</u>	<u>3,287,966</u>
Total	<u>\$ 13,347,517</u>	<u>\$ 12,243,299</u>

The restricted PFC cash above of \$3,172,870 (\$2,685,078 and \$487,792) in addition to the PFC amount included in the debt service reserve above of \$918,302 and \$7,225 included in unrestricted cash, for a total of \$4,098,397, is presented in the Schedule of Passenger Facility Charges Collected and Expended (other information).

14. RETIREMENT BENEFITS AND RESULTING NET PENSION LIABILITY

Defined Benefit Plan: All full-time employees of the Fund participate in the City of Burlington Employees' Retirement System (the Plan), a cost sharing, single employer defined benefit plan. The Fund follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, with respect to the Plan.

Plan Description: Substantially all employees of the Fund are members of the Plan and are classified as Class B members. Eligible employees must participate in the Plan. Effective July 1, 2015 the City required a 3.40% contribution of earnable compensations from AFSCME employees. For the year ended June 30, 2015 AFSCME contributions were 3%. All other employees contributed 3%. It is the current policy of the City of Burlington to fund the actuarially determined periodic contributions using the projected unit credit cost method. Gains (losses), as they occur, reduce (increase) the unfunded past service cost. The Fund's contributions were based on full time equivalents and wages. The City Council has the authority to amend the benefit terms of the Plan by enacting ordinances and sending them to the Mayor for approval.

At June 30, 2016, the Fund reported a net pension liability for its proportionate share of the City's net pension liability per the new GASB 68. The net pension liability was measured as of June 30, 2015. The Fund's proportion of the net pension liability was based on a projection of the Fund's payroll relative to the total payroll of the City. At June 30, 2016 and 2015, Fund's proportions were 3.1827 and 2.3751 percent, respectively. For more information on the City's plan, see the City of Burlington, VT financial statements.

Benefits Provided: Class B retirees who have attained the age of 55 or older and completed 7 or more years of creditable service (age and years of creditable service vary depending on agreements) are eligible for benefits based on average final earnable compensation (AFC) during either the highest 5 or 3 non-overlapping 12-months periods depending on hiring dates. For details on agreements and AFC, see the City of Burlington, VT financial statements.

Contributions: The Fund contributed \$281,375 and \$211,879 for the measurement years ended June 30, 2015 and 2014, respectively, the measurement date of the net pension liability used for the June 30, 2015 reporting period.

Summary of Significant Accounting Policies: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan was used as reported on the City of Burlington, VT Financial Statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Actuarial assumptions: The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3 percent
Salary increases	3.8 to 8.8 percent, including inflation
Investment rate of return	8 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 combined mortality tables for males and females, with full generational projection by scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the most recent actuarial experience study, which was for the five year period ended June 30, 2012.

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	30.80%	6.70%
Fixed income	31.50%	2.94%
Alternatives	23.30%	6.26%
Multi-strategy	14.40%	5.98%
Total	<u>100.00%</u>	

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate of 3.00%.

Discount Rate: The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the fiduciary net position was projected to be available to make all future benefit payments to the current plan members.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Fund's proportionate share of the net pension liability calculated using the discount rate of 8.00 percent, as well as what the Fund's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (7.00%) or one percentage-point higher (9.00%) than the current rate:

Fund's net pension liability as of:	<u>1% Decrease (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
June 30, 2016	\$ 3,047,906	\$ 2,169,468	\$ 1,435,808
June 30, 2015	1,867,659	1,278,506	779,745

Deferred Inflows and Outflows of Resources: As a result of implementing GASB 68, the differences between projected and actual investment earnings, difference between actual and expected experience, and changes in proportional share of contributions related to pension was reported as deferred inflows of resources and will be amortized over the next several future fiscal years.

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense in future fiscal years as follows:

Net deferred outflows (inflows) of resources:		
Amortization	As of	As of
<u>Year:</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
2016	\$ -	\$ 417,158
2017	635,345	135,784
2018	365,342	135,784
2019	191,479	(38,082)
2020	86,667	-
	<u>\$ 1,278,833</u>	<u>\$ 650,644</u>

Pension Plan Fiduciary Net Position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued City of Burlington financial report. No separate stand-alone report is issued for the pension system. Further disclosures about the Plan are included in the City of Burlington’s financial statements.

15. OTHER POST-EMPLOYMENT BENEFITS (OTHER THAN PENSION)

The City follows GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45) for reporting other post-employment benefits (OPEB) including healthcare, life insurance, and other non-pension benefits offered to retirees. The City allows certain retired employees to purchase health insurance through the City at the City’s group rates, which is recognized as implicit subsidy. GASB 45 addresses how the City should account for and report its costs related to OPEB, such as the City’s implicit subsidy of retiree health insurance and the City’s direct subsidy of retiree health insurance. GASB 45 requires that the City recognize the cost of the retiree health subsidy during the period of employees’ active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the City. The Fund’s portion of the OPEB liability as presented in the long-term debt section.

Funding Policy: The City funds the benefits on a pay-as-you-go basis.

Further disclosures about the Plan are included in the City of Burlington, Vermont’s financial statements.

16. DEFERRED COMPENSATION PLAN

The Fund offers its employees a deferred compensation plan administered through the City in accordance with Section 457 of the Internal Revenue Code (IRC). The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or for “unforeseeable emergency” as defined by IRS guidelines. The assets of the plan are not included in the accompanying financial statements.

17. RELATED PARTY TRANSACTIONS

It is the City’s policy to charge or pay interest based on outstanding balances advanced to or borrowed from the municipal funds of the City. The interest rate is based on the average interest rate which would have been earned in the City’s sweep account. Total interfund interest paid, net, during 2016 and 2015 was \$3,984 and \$21,979, respectively.

The City Clerk/Treasurer’s office charges all departments for administration and risk management fees. The City Council approves, through the budget process, the annual assessments. For the years ending June 30, 2016 and 2015, administrative and risk management fees paid to the City General Fund were \$353,530 and \$422,055, respectively.

The Fund contracted with other City departments to provide services such as security from the Police Department at a fee of \$1,014,000 and \$1,062,827 for fiscal years 2016 and 2015, respectively. The Airport also contracted with the Traffic Fund to operate its parking lot and parking garage at a fee of \$50,000 and \$50,000 for fiscal years 2016 and 2015, respectively.

18. LEASES

The Fund leases office, building and ground space to various Airport related businesses, including airlines, car rental companies, food and gift concessions, governmental agencies and others. The lease rates vary and are computed based upon square footage, percentages of gross revenues and combinations of the two. The leases expire at varying dates through 2033.

Lease revenue for the years ended June 30, 2016 and 2015 was approximately \$7,653,900 and \$7,751,800, respectively. Future lease revenue estimated to be received in each of the next five fiscal years under these agreements are as follows:

2017	\$ 7,730,000
2018	7,810,000
2019	7,885,000
2020	7,965,000
2021	8,040,000

19. COMMITMENTS AND CONTINGENCIES

The following include outstanding legal issues:

Mansfield Heliflight, Inc. v. City of Burlington, Vermont

On or around July 29, 2014, Mansfield Heliflight, Inc. (“Mansfield”) filed a Part 16 Complaint with the FAA against the City, alleging the City has prevented Mansfield from becoming a Fixed-Base Operator (“FBO”) at BTM, and that its efforts in this regard effectively granted an exclusive right to Heritage Aviation, Inc. The Complaint alleges that (1) the City is in violation of Grant Assurance No. 23, prohibiting the grant of an exclusive right to any person to conduct aeronautical activities at BTM; (2) the City is in violation of Grant Assurance No. 2,2 prohibiting unjust discrimination; and (3) predatory conduct and illegal restraint of trade by the City in violation of the Sherman Act and Grant Assurance No. 1, which prohibits a sponsor’s violation of federal law. The City filed a Consolidated Answer, Motion for Summary Judgment and Motion to Dismiss on October 2, 2014, denying many of the factual allegations in Mansfield’s Complaint. The City has moved to dismiss Count 3 on the grounds FAA lacks jurisdiction over the alleged Sherman Act violation, and for summary judgment on Counts 1 and 2 on the grounds that the undisputed facts do not demonstrate a violation of the City’s Grant Assurances. The City believes that the FBO’s claims are without merit. The Airport has just selected Mansfield Heliflight, Inc. to use and rehab the South Hangar. This selection was the result of a competitive bidding RFP process. BTM believes this will help resolve Mansfield Heliflight’s Part 16 complaint.

South Burlington Assessments

The City of Burlington and the City of South Burlington settled the property tax dispute regarding Burlington International Airport in August 2016. Both City Councils approved a property tax settlement agreement that draws the dispute to a close. The settlement establishes a clear methodology for current properties and future assessments. The settlement resolves the dispute that began when the City appealed the City of South Burlington’s assessment of all the Airport-related properties owned by the City as of April 1, 2012. Beginning in tax year 2015-2016, the total assessed value of Airport land and buildings is approximately 52 million. This is a reduction from the previous assessment of \$77 million. Based on the Superior Court’s decision, the City will pay property taxes on some Airport land and improvements and a payment in lieu of taxes (PILOT) on other Airport land. This agreement will cover a 10 year period through 2027-28.

The City does not believe that any of the above-referenced matters will have a material, adverse effect upon the financial position of the Fund.

Grants - Amounts received or receivable from grantor agencies, including possible grant assurance violations at the Fund, are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Fund expects such amounts, if any, to be immaterial.

Construction Commitments – The Airport has a number of ongoing Airport Improvement Program (AIP) projects for construction and land acquisition, as well as several Passenger Facility Program (PFC) projects for terminal improvements that are funded from restricted assets. AIP projects include taxiway reconstruction, storm-water treatment projects, building demolition related to previously acquired property and land acquisition. The PFC projects include energy projects, cargo apron reconstruction, escalator and baggage carousel projects and related work.

20. RISK MANAGEMENT

A. Insurance

The Fund is exposed to various risks of loss related to torts; theft of, damage to and destruction of, assets; errors and omissions; injuries to employee; and natural disasters. The Fund manages these risks through a combination of commercial insurance packages and through the City’s risk management program.

The City carries commercial insurance to cover its property, casualty and general liability risks. Commercial property insurance, inland marine and employment practices insurance coverage is provided by Travelers and is offered on a guaranteed cost basis with a deductible of \$50,000. Starting fiscal year 2016, the City has a large-deductible worker’s compensation plan with Travelers Indemnity Company. Prior to fiscal year 2016, the City was self-insured for worker’s compensation.

The Fund also carries Airport Owners and Operators General Liability insurance with the following limits:

Completed Operations Aggregate	\$100 million
Personal Injury and Advertising Injury Aggregate	\$50 million
Malpractice Aggregate	\$50 million
Each occurrence limit	\$100 million
Fire Damage – any one fire	\$500,000
Medical Expenses – any one person	\$10,000
Hangarkeepers Limit – any one aircraft	\$100 million
Hangarkeepers Limit – any one occurrence	\$100 million

For Health and Dental insurance, the City self-insures with appropriate stop-loss coverage in place to cover large claims. The stop-loss limits are as follows:

Health insurance	\$130,000 per occurrence with no stop loss coverage
Dental insurance	The benefit from this coverage cannot exceed \$1,500 per participant

All of the City’s self-insurance programs are administered by a third-party administrator, which processes and pays the claims and then bills the City for the amount of the total claims paid.

The costs associated with these self-insurance plans are budgeted in the City's General Fund and allocated to the Fund based on the following:

<u>Type</u>	<u>Allocation Method</u>
Worker's compensation	50% Experience and 50% Exposure
Health	Number of employees and levels of coverage
Dental	Actual claims and administrative fees paid
Liability	Adjusted operating budgets
Property	Insured value of city structures

The City has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. The Fund paid \$14,904 in unemployment claims in 2016, while there were no claims in 2015 .

B. Factors Affecting the Airline Industry

The City's ability to derive Revenues from its operation of the Airport depends upon many factors, many of which are not subject to the control of the City. Revenues may be affected by the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Airport Agreements. The financial results of the airline industry have been subject to substantial volatility since deregulation of the airline industry in 1978. Financial results of most airlines reflected substantial net losses. Recent years of airline mergers, takeovers, asset transfers and bankruptcies have resulted, and may continue to result, in a consolidation of the industry. The impact of further consolidation within the U.S. airline industry cannot be predicted at this time. Historically, the airline industry's results have correlated with the performance of the economy. Further bankruptcy filings, liquidations or major restructurings by members of the airline industry remain possible.

The City's ability to generate Net Revenues and PFCs depends on sufficient levels of aviation activity and passenger traffic at the Airport. The achievement of increased passenger traffic will depend partly on the profitability of the airline industry and the ability of individual airlines to provide sufficient capacity to meet demand.

The City's ability to derive Net Revenues from its operation of the Airport depends upon many factors which affect the airlines' operations at the Airport, many of which are not subject to the control of the City, including the economy, domestic and international affairs, air transportation disruptions, the threat of terrorism and international conflict, health crises, cost structure of the airlines, including the cost of aviation fuel, and labor issues. The City cannot assess the impact that these factors will have on the airline industry and, in turn, on the Net Revenues.

In addition, many factors have combined to create structural changes in the travel market that have altered consumer travel patterns. The threat of terrorism against the United States remains. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and

wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Consumers have come to expect extraordinary low fares. In addition, the availability of fully transparent price information on the Internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the Internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video-conferencing.

Faced with the growth of lower-cost airlines and evolving business technology, legacy airlines (United, Delta, American, and U.S. Airways) have been forced to change their business practices, including reducing or eliminating service on unprofitable routes, reducing their workforces, implementing pay cuts, reducing fares to compete with low-cost carriers, deferring aircraft deliveries, streamlining operations and significantly increasing the use of smaller, regional jets.

The aviation industry is cyclical and subject to intense competition and variable demand. Further, airline debt levels remain high, many airlines have large unfunded pension obligations and many airlines have an aging aircraft fleet and/or aging computer systems. The airlines are vulnerable to fuel price spikes, labor activity, recession and external shocks (such as terrorism, pandemics, military conflicts and natural disasters). As a result, financial performance can fluctuate dramatically from one reporting period to the next.

The City makes no representation with respect to the continued viability of any of the carriers serving the Airport, airline service patterns, or the impact of any airline failures on the Net Revenues and PFC or CFC collections. Additionally, no assurance can be given that adverse events similar to the terrorist attacks on September 11, 2001 and related subsequent events will not happen in the future.

21. MAJOR CUSTOMERS

A significant portion of the Fund's earnings and revenues are directly or indirectly attributed to the activity of a few major airlines.

The Fund's earnings and revenues could be materially and adversely affected should these major airlines discontinue operations and should the Fund be unable to replace the airline with similar activity. The level of operations is determined based upon the relative share of enplaned passengers. The following represents major concentrations and their respective airline passenger shares:

	<u>2016</u>	<u>2015</u>
United	32%	30%
American	27%	28%
Delta	22%	23%

22. CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BEGINNING NET POSITION

For fiscal year 2015, the Fund has adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as amended by GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB 68 establishes accounting and financial reporting standards that significantly impacted the Fund's basic financial statements by recognizing as a liability and expense, the Airport's applicable portion of the City of Burlington Employee's Retirement System's Net Pension Liability.

The beginning net position of the Fund was restated for July 1, 2014 Net Pension Liability of \$785,759, less contributions made during fiscal year 2014 of \$211,879, for a net reduction to beginning net position of \$573,880. Fiscal year 2014 and prior periods have not been restated for GASB 68 due to impractical nature of allocating annual activity and lack of information for measurement dates June 30, 2012 and prior; as this is a new standard and beginning net position restatement for July 1, 2014 does not recognize beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions in accordance with GASB 71.

23. IMPLEMENTATION OF NEW GASB STANDARDS

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, replacing requirements of Statements No. 45 and 57, effective for the Fund beginning with its year ending June 30, 2018. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet specific criteria and for employers whose employees are provided with defined contribution OPEB. Management's current assessment is that this pronouncement will have an impact on the Fund's basic financial statements by increasing the net OPEB liability and, as a result, decreasing unrestricted net position.

CITY OF BURLINGTON, VERMONT
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016
(Unaudited)

Burlington Employee's Retirement System					
Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	<u>Covered Payroll</u>	Proportionate Share of the Net Pension Liability as a <u>Percentage of Covered Payroll</u>	Plan Fiduciary Net Position Percentage of the Total <u>Pension Liability</u>
June 30, 2016	3.1827%	\$2,169,468	\$ 1,664,402	130.35%	70%
June 30, 2015	2.3751%	\$1,278,506	\$ 1,642,817	77.82%	75%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

CITY OF BURLINGTON, VERMONT

SCHEDULE OF PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016
(Unaudited)

Burlington Employee's Retirement System

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2016	\$ 281,375	\$ (281,375)	\$ -	\$ 1,664,402	17%
June 30, 2015	\$ 211,879	\$ (211,879)	\$ -	\$ 1,642,817	13%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

REPORT ON COMPLIANCE WITH REQUIREMENTS OF
THE PASSENGER FACILITY CHARGE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE PASSENGER FACILITY CHARGE
AUDIT GUIDE FOR PUBLIC AGENCIES

Independent Auditors' Report

To the Honorable Mayor and City Council
City of Burlington, Vermont

Report on Compliance for the Passenger Facility Charge Program

We have audited the Burlington International Airport, an enterprise fund of the City of Burlington, Vermont (the Fund), for compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies (the Guide)* issued by the Federal Aviation Administration, applicable to its passenger facility charge program that could have a direct and material effect on the Airport's passenger facility charge program for the year ended June 30, 2016. Our responsibility is to express an opinion the Fund's compliance based on our audit procedures.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the Passenger Facility Charges Program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Fund's passenger facility charge program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide.

Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charges program occurred. An audit includes examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Fund's Passenger Facility Charges Program. However, our audit does not provide a legal determination of the Fund's compliance.

Opinion on Passenger Facility Charge Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge program for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

Report on Schedule of Revenues and Expenditures of Passenger Facility Charges

We have audited the financial statements of the Burlington International Airport, the enterprise fund of the City of Burlington, Vermont (the Fund) as of and for the year ended June 30, 2016, and have issued our report thereon dated December 21, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Fund's basic financial statements. The accompanying schedule of revenues and expenditures of passenger facility charges is presented for purposes of additional analysis as required by the *Passenger Facility Charge Audit Guide for Public Agencies*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.

Melanson Heath

December 21, 2016

CITY OF BURLINGTON, VERMONT
 SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
 FOR THE YEAR ENDED JUNE 30, 2016

Cash balance - July 1, 2015	\$ 3,588,538
Receipts	
Passenger facility charges collected	2,314,389
Interest earnings	4,974
Total receipts	<u>2,319,363</u>
Disbursements	
Project No. 96-01-I-00-BTV	637,648
Project No. 00-03-C-00-BTV	53,978
Project No. 10-04-C-00-BTV	395,490
Project No. 11-05-C-00-BTV	233,537
Project No. 13-06-C-00-BTV	488,851
Total disbursements	<u>1,809,504</u>
Increase in cash balance	<u>509,859</u>
Cash balance - June 30, 2016	<u><u>\$ 4,098,397</u></u>

*See Note 13 for reconciliation of above cash to the
 restricted accounts presented in the financial statements*

BURLINGTON INTERNATIONAL AIRPORT

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016**

I. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: unmodified

Internal Control over Financial Reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Passenger Facility Charges Program

Internal Control over the Programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance for the Programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with Passenger Facility Charges Audit Guide for Public Agencies? Yes No

II. Financial Statement Findings

None reported.

III. Findings and Questioned Costs for the Program

None reported.



BURLINGTON INTERNATIONAL AIRPORT

TO: Burlington International Airport, Board of Commissioners
City of Burlington, Board of Finance
City of Burlington, City Council

FROM: Burlington International Airport Staff
Nic Longo, Director of Planning and Development

DATE: January 17, 2017

SUBJECT: Hudson News Lease Amendment, as discussed on November 28, 2016

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease amendment with Hudson News for their operations in the terminal facility. The Airport also request Board of Finance approval and Recommendation to City Council, as well as City Council Authorization for this Hudson News Lease Amendment.

The Airport executed a concession lease agreement with Hudson News in June of 2013. Their operations consists of three individual news/gift stores located in each concourse and in the main ticketing area of the terminal. Over the course of their current agreement, they have seen steady increases in gross revenues, most recently a 3% increase from their previous contract year, equating to over \$2.0 million dollars in gross revenues. During the 3 years of operations, recent discussions arose regarding the length of their agreement. Currently, their agreement was for a total of five years, however, the intent of the lease was to utilize an additional ten year lease agreement, mutually agreeable by both parties. This is consistent with other concessions agreements we have at the Airport. Their substantial capital investment into this airport and their commitment for quality Vermont product and service should have been captured in the length of their initial lease.

As discussed at the November 28, 2016 Airport Commission meeting, the airport re-approached Hudson News to request a change in what was previously negotiated. Instead of a biennially increase, Hudson as agreed to an annual increase. In addition to the extension of the term, we have negotiated an increase in rental rates for the remainder of the term. Hudson currently remits 13% of their gross revenues to the Airport on a monthly basis, however, prior to any month of operation they pre-pay a guaranteed amount. This guaranteed amount for the remainder of the ten additional years, will increase every year by 2%, as outlined in the attached draft amendment, the comparison of the two approaches is attached as well.

The Airport now requests the Board of Commissioners approval and recommend to the Board of Finance; the Board of Finance approve and recommend to the City Council and City Council authorization to execute this lease amendment with Hudson News.

1200 Airport Drive, #1
South Burlington, Vermont 05403
Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

Thank you for your continued support.

AMENDMENT TO CONCESSION AGREEMENT
BETWEEN CITY OF BURLINGTON AND HG BURLINGTON JV
FOR VERMONT SPECIALTY GIFT SHOP AND NEWSTAND AT BURLINGTON
INTERNATIONAL AIRPORT DATED JUNE 25, 2013

This is an AMENDMENT to the CONCESSION AGREEMENT (hereinafter Agreement) between the City of Burlington, a municipal corporation organized and validly existing under the laws of the State of Vermont (hereinafter CITY) and HG Burlington JV, a business qualified to do business in the State of Vermont (hereinafter Concessionaire) dated June 25, 2013, which is attached hereto and made a part hereof as Exhibit A.

WHEREAS, in the City is the owner of the Burlington International Airport located in South Burlington, VT, which airport and any additions or improvements thereto or changes therein which the City hereafter makes or authorizes are hereinafter collectively referred to as “the Airport;” and

WHEREAS, the Concessionaire is engaged in the business of operating specialty concessions and currently does so at the airport pursuant to the Agreement; and

WHEREAS, the City and Concessionaire wish to amend certain terms of the Agreement while maintaining the remainder of the terms in full force and effect. In particular, the parties wish to extend the term of the Agreement by ten (10) years and Concessionaire agrees to increase its Minimum Annual Guarantee (MAG) percentage payment to the City from \$201,000, to increasing two percent (2%) every year effective on year one of the extension.

NOW THEREFORE, based on the above, the Concession Agreement between the City and Concessionaire dated June 25, 2013 is hereby AMENDED as follows:

1. Paragraph 1.1 is amended to state “Agreement as used herein contemplates and includes the lease of City-owned property (referred to henceforth as assigned areas) and permission for Concessionaire to use such City-owned property for the

conduct of a Vermont Specialty Gift Shop and Newsstand within said City-owned property terms and conditions expressly set forth herein and in any dually executed amendments hereto.”

- 2. Paragraph 3.0 (the un-numbered paragraph in Article II – “Term” and located prior to paragraph 3.1) is amended to state “This Agreement shall commence October 1, 2013, and shall terminate on September 30, 2028 unless sooner terminated in accordance with the terms hereof. Minimum Annual Guarantee and fees and charges shall run from the date of commencement.”
- 3. Paragraph 7.2 is amended to state “Concessionaire further agrees that the amount of the Minimum Annual Guarantee payable to the City shall reflect the following schedule for the years Six (6) through Fifteen (15):

Year Six:	\$205,020
Year Seven:	\$209,120
Year Eight:	\$213,303
Year Nine:	\$217,569
Year Ten:	\$221,920
Year Eleven:	\$226,359
Year Twelve:	\$230,886
Year Thirteen:	\$235,504
Year Fourteen:	\$240,214
Year Fifteen:	\$245,018

All other aspects of the Concession Agreement remain in full force and effect.

HUDSON NEWS LEASE AMENDMENT AND MINIMUM ANNUAL GUARANTEE (MAG) CHANGES

NEW PROPOSAL				PREVIOUS VERSION			
Current MAG	Year	2% each year	PER Month	Year	3% Every Other	PER Month	
\$ 201,000.00	6	\$ 205,020	\$ 17,085	6	\$ 207,030	\$	17,253
Per Month	7	\$ 209,120	\$ 17,427	7	\$ 207,030	\$	17,253
\$ 16,750.00	8	\$ 213,303	\$ 17,775	8	\$ 213,241	\$	17,770
	9	\$ 217,569	\$ 18,131	9	\$ 213,241	\$	17,770
	10	\$ 221,920	\$ 18,493	10	\$ 219,638	\$	18,303
	11	\$ 226,359	\$ 18,863	11	\$ 219,638	\$	18,303
	12	\$ 230,886	\$ 19,240	12	\$ 226,227	\$	18,852
	13	\$ 235,504	\$ 19,625	13	\$ 226,227	\$	18,852
	14	\$ 240,214	\$ 20,018	14	\$ 233,014	\$	19,418
	15	\$ 245,018	\$ 20,418	15	\$ 233,014	\$	19,418



BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners

FROM: Burlington International Airport Staff
Nic Longo, Director of Planning and Development

DATE: January 17, 2017

SUBJECT: Enterprise Rent-A-Car Property Lease at 700 Airport Parkway

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease with ELRAC, LLC. d/b/a Enterprise Rent-A-Car for their operations at 700 Airport Parkway.

Enterprise currently operates in the terminal renting their vehicle fleet to our traveling public. In 2016, the Airport was approached by Enterprise to see if they could supplement their current terminal operation by renting our one of our existing vacant buildings. Working with them and the City Attorney's Office on various items of their lease, we have come to a draft lease agreement that details the terms and rental period.

The lease will be for an approximately 4,000 square foot building with associated parking lot together consisting of approximately 2.5 acres. The building has been vacant for over 5 years with the airport diligently working with various partners and commercial real estate companies to occupy. The Airport feels this is a great match for both entities. Enterprise will be remitting, starting April 1, 2017, \$27,066 annually, with annual escalations for the remainder of the term. The initial term is 5 years, with an additional 5 year option, agreeable by both parties. This lease is triple net; all utilities, taxes, and other costs will be forwarded to the new tenant. Enterprise has also committed to receiving the building in an "as-is" condition, and will incorporate approximately \$80,000 into capital improvements within the building, which will remain after their tenancy.

Attached, please find a draft lease agreement as well as the location of the building for your approval and recommendation to Board of Finance and City Council.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

al Store

National Guard Ave

National Guard Ave

Burlington International Airport

Airport Pkwy

Sterling Motor Werks

Kirby Rd

Airport Pkwy

Dumont Ave

Pump Ln

Airport Dr

Maryland St

Greyhound Lines



LEASE AGREEMENT FOR 700 AIRPORT PARKWAY BETWEEN
BURLINGTON INTERNATIONAL AIRPORT AND ELRAC, LLC

THIS LEASE AGREEMENT executed this ____ day of _____, 2017 by and between the City of Burlington, a municipal corporation in the State of Vermont (hereinafter called "Lessor" or "City"), and ELRAC, LLC, a Delaware limited liability company authorized to do business in the State of Vermont (hereinafter called "Lessee").

WITNESSETH:

WHEREAS, Lessor owns and operates an airport known as the Burlington International Airport located in South Burlington, Vermont, which airport and any additions or improvements thereto or changes therein which the City hereafter makes or authorizes are hereinafter collectively called the "Airport"; and

WHEREAS, Lessor wishes to enter into a lease for a certain portion of lands and improvements it owns, in the interest of furthering and carrying on its purpose in the operation of the Airport and in the public interest and the interest of public airport purposes.

WHEREAS, Lessee desires to lease certain premises owned by Lessor on the Airport as hereinafter described, together with certain rights and privileges in connection therewith for the purpose of automobile rental car storage, prep, repair, cleaning, sales, and related uses;

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and promises herein contained, the parties hereby covenant and agree as follow

1. PREMISES. - Lessor hereby leases to Lessee for its exclusive use, and Lessee hereby hires and takes from Lessor, the building known as 700 Airport Parkway, consisting of Four Thousand One Hundred and Fifty-Four (4,154) square feet of industrial space, together with a parcel of land consisting of approximately 2.64 acres located adjacent to the 700 Airport Parkway Building, with an estimated 70,000 square foot parking lot as shown on the plans or sketches attached hereto and marked Exhibit "A" and hereby specifically made a part hereof, to have and to hold the said premises (collectively referred to hereinafter as the "Leased Premises").

2. **TERM** - The term of this Agreement shall be five (5) years with one (1) additional five (5) year option. This Agreement shall be subject to termination by either Lessor or Lessee, following Lessor's fit up as described more fully below, at either party's sole discretion, on not less than Ninety (90) days advance written notice.

3. **RENTAL** - The Rental term shall commence April 1, 2017, or ninety (90) days after the receipt of local permits, whichever dates comes sooner. For and during the term hereof, Lessee shall pay Lessor the following annual rentals for the use and occupancy of the Leased Premises in equal monthly installments in advance, on or before the first business day of each calendar month of the term, at the office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive # 1, South Burlington, Vermont 05403:

Year 1 – Effective April 1, 2017, or 90 days after receipt of Permits (whichever comes sooner):

\$27,066 per annum
\$2,255.50 monthly
\$6.50 per square foot

Year 2 – Effective _____ 1, 2018:

\$30,000 per annum
\$2,500 monthly
\$7.20 per square foot

Year 3 – Effective _____ 1, 2019

\$36,000 per annum
\$3,000 per month
\$8.65 per square foot

Year 4 - Effective _____ 1, 2020

3% annual increase from 2019

Year 5 – Effective _____ 1, 2021

3% annual increase from 2020

In addition to the above:

- a. Rent shall be due in advance of the first day of each month, without demand, for the duration of this Agreement.
- b. Any amounts payable which shall not have been paid when due shall bear interest at the

rate of one and a half percent (1 1/2%) per month, which interest shall be paid by Lessee in addition to such amount.

- c. Renewals — Provided Lessee is not in default of lease terms and conditions further described and subject to the prior approval of the City of Burlington City Council, Lessee has the right to renew the lease agreement for an additional five (5) year option. Written authorization of this extension shall be 90 days prior to the end of the initial term.

4. TAXES AND INSURANCE - Lessee shall also pay taxes and insurance on the property estimated to be \$3.00 per square foot or \$1,041 per month in addition to the above referenced rental amount, with an increase per year in the amount of 3% over the previous year.

5. SECURITY DEPOSIT - Lessee shall provide a security deposit equivalent to one months' rent, as well as first months' rent prior to lessees' move in date.

6. USE OF PREMISES - The Leased Premises shall be used and occupied solely as an automobile rental car storage, prep, repair, cleaning, sales, and related business. Without limiting the foregoing, but merely by way of example, Lessee shall not use any portion of the Leased Premises to conduct any operations that will compete with any other businesses presently leasing from Lessor, with one example being the operation of a long-term parking facility for Airport customers. Any and all business uses must be approved in advance by the Director of Aviation to ensure that it will not affect the business of the Airport in a negative way.

7. AGREEMENT SUBORDINATE - This Agreement shall be subject and subordinate to the following:

a. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft;

b. This Agreement shall be subordinate to the provisions of any existing or any future agreement between Lessor and the State of Vermont and/or the United States of America relative to

the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State Funds for the development of the Airport.

c. Lessor's right, during time of war or national emergency to lease the landing facilities or any part thereof, or to otherwise permit the use thereof on an exclusive basis, by the United States of America or the State of Vermont for military use; the provisions of this Agreement, to the extent that they are inconsistent with these superior rights, shall be suspended during any such period.

8. LESSEE OBLIGATIONS - Lessee covenants and agrees at its own expense:

a. This Lease Agreement is contingent upon Lessee receiving all federal, state and local approvals required for the operation of an automobile rental car storage, prep, repair, cleaning, sales, and related business;

b. To pay the rent and other charges herein reserved at such times and places as the same are payable;

c. To accept the premises "AS IS", to furnish the Leased Premises, to transfer all utilities into Lessor's name, and to pay all charges for telephone service, sewage service, storm water, janitorial services, trash and/or hazardous waste removal, snow removal and janitorial service, water, electric power, heat, gas, air conditioning and other public utilities of every kind and to transfer these utilities in the Lessee's name;

d. To perform construction estimated cost being \$19.95 per square foot, as shown in Exhibit B, securing all necessary federal, state, and local permits as required and using licensed contractors to do so, to keep and maintain all parts of the Leased Premises, including related and associated appurtenances, in good condition, order and repair during the term of this Agreement, including but not limited to painting, lighting, removal of snow and garbage, landscaping, replacement of broken glass with glass the same size and quality of that broken, installed and operating equipment, and utility services. All maintenance shall be subject to general monitoring by Lessor to insure a continuing high quality of appearance commensurate with maintenance and safety standards of the Airport. Lessee shall not be

responsible for maintenance and repair of any portion of utility lines which are located outside of the building in which the demised premises are located, unless such repair is required as the result of an act or omission of Lessee, its representatives, employees, agents, or contractors. Lessor shall be responsible for the maintenance and repair of the structure of the building, including the roof, foundation and exterior portions, unless such repair required as is the result of an act or omission of Lessee, its representative's employees, agents, or contractors.

e. To observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statutes, ordinances, regulations, standards, conditions and agreements applicable to Lessee for its use of the Leased Premises, including, but not limited to, ordinances, rules and regulations promulgated from time to time by or at the direction of Lessor for the administration of the Airport; at its own expense to submit to and comply with the requirements of all state and federal regulatory agencies or municipal boards having jurisdiction over the construction of any fixed improvements on the Leased Premises, including, but not limited to, any Environmental Board or Board of Health; and at its own expense to comply with the standards for accessible design known as the Americans with Disabilities Act Accessibility Guidelines in connection with any new construction or alteration of the Leased Premises. Lessee shall bear the burden of this obligation regardless of whether any such Agency or Board shall require that Lessor be the applicant of record.

f. Lessee shall carry comprehensive general liability insurance with responsible insurance underwriters, qualified to transact business in the State of Vermont, insuring Lessee and Lessor, as their interests may appear, against all legal liability for injuries to persons (including wrongful death) and damages to property caused by Lessee's use and occupancy of the Leased Premises or otherwise caused by Lessee's activities or operations thereon (including any act or omission by Lessee, its agents, employees, or contractors, resulting in the release of hazardous substances as defined in paragraph 12 below) with liability limits of not less than \$3,000,000 for any one person, and not less than \$5,000,000 for any accident involving injury (including wrongful death) to more than one person and not less than \$5,000,000 for property damage resulting from any one accident. In addition, Lessee shall maintain fire, casualty, worker's compensation, business interruption (in sufficient amounts so as to enable Lessee to

meet its rent obligations), flood and other appropriate types of coverage with insurers acceptable to Lessor, in such amounts as are acceptable to Lessor including hazard and extended coverage covering all leasehold improvements (excluding building, parking lot and utilities), chattels, furniture, fixtures, machinery and equipment located on the premises. Such policies shall name Lessor as additional insured. Such policies shall also contain a standard or "New York" loss payable clause and shall provide for at least thirty (30) days prior written notification to Lessor of any termination, cancellations or material modification of such policies. Lessee shall, within ten (10) days after the execution of this Lease Agreement, furnish Lessor with certificates of such insurance, which shall provide that Lessor is an insured under said policy. Thereafter, Lessee shall furnish Lessor with certificates of such insurance at no less than six month intervals during the term of this Lease Agreement. Lessor shall have the right to examine such insurance policies upon reasonable notice to Lessee.

g. To pay directly to the taxing authority any and all personal property inventory taxes or assessments which may be assessed against the Leased Premises and its contents during the term hereof or any renewal term.

h. To commit no actionable waste or nuisance upon the Leased Premises and shall not do or permit to be done anything which may result in the creation, commission or maintenance of any such waste or nuisance on said premises or the Airport.

i. To erect, construct, install, or make, or cause to be erected, constructed, installed, or made, all improvements on or to the Leased Premises which are deemed fit or proper for the conduct of its business. All additions or improvements shall be subject to the prior written consent of Lessor, said consent not to be unreasonably withheld. All new construction and alterations of the Leased Premises shall be at the expense of Lessee and must comply with the standards for accessible design known as the Americans with Disabilities Act Accessibility Guidelines. All improvements or alterations erected or made to the premises shall on expiration or sooner termination of this Agreement belong to Lessor without compensation to Lessee. All additions or improvements must comply with all Local, State, and Federal regulations and the required permitting. All additions or improvements shall

comply with all Federal Aviation Administration regulations which applies to proximity of an airport.

j. To observe and comply with any and all present and future security regulations and procedures and operational procedures promulgated from time to time by or at the direction of Lessor for the administration of the Airport.

k. That the management, maintenance and operation of the Leased Premises shall at all times be under the supervision and direction of an active, qualified, competent representative of Lessee, and Lessee shall identify its representative, and any successor, in writing to Lessor.

l. To properly handle, remove and dispose of any and all lubricants and/or hazardous waste and to maintain the demised premises in a clean and safe condition.

9. LESSOR OBLIGATIONS - Lessor shall provide the building in an as is condition.

10. ENTRY OF PREMISES - Lessor, and its authorized officers, employees, agents, contractors, sub-contractors and other representatives, shall have the right to enter upon the Leased Premises for the following purposes:

- a. To inspect the Leased Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether Lessee has complied and is complying with the terms and conditions of this Lease Agreement and Lessee shall provide the Director of Aviation with serviceable keys to all of its facilities so as to permit the exercise of Lessor's rights hereunder; To perform essential maintenance, repair, relocation or removal of existing underground or overhead wires, pipes, drains, cables and conduits now located on or across the Leased Premises, and to construct, maintain, repair, relocate and remove such facilities in the future if necessary to carry out the master plan of development of the Airport provided, however, that said work shall in no event disrupt or unduly interfere with the operations of Lessee. Nothing herein shall be construed to impose upon Lessor any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do

so. Lessee is and shall be in exclusive possession of the Leased Premises and Lessor shall not in any event be liable for any damage to the premises or to any property of Lessee or of any other persons located in or thereupon, other than to repair or remedy such damage as may be occasioned by negligence of Lessor, its employees or agents.

11. INDEMNIFICATION - Lessee shall indemnify, defend, and save harmless Lessor, its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns, individually or collectively, from and against all liability for any fines, claims, suits, liens, demands, actions or cause of action of any kind and nature for personal injury, death or property damage in any way arising out of or resulting from any activity or operation of Lessee on the Leased Premises or the Airport, and Lessee further agrees to pay all expenses in defending against any such claims made against Lessor, its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns, individually or collectively, provided, however, that Lessee shall not be liable for any injury, damage or loss occasioned by the sole negligence or willful misconduct of the Lessor its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns. Lessee shall give prompt and timely notice to Lessor (and copying the City of Burlington at: Attention: City Attorney, City Hall, Burlington, VT 05401) of any claim made or suit instituted which, in any way, directly or indirectly contingently or otherwise, affects or may affect Lessor.

12. HAZARDOUS WASTES - Lessee at its own expense shall properly handle, remove and dispose of any and all lubricants and/or hazardous waste and/or hazardous substances and shall maintain the Leased Premises in a clean and safe condition.

In addition, Lessee unconditionally, absolutely and irrevocably indemnifies and agrees to defend and hold harmless Lessor from and against all loss, cost and expense (including, without limitation, attorney's fees) of whatever nature suffered or incurred by Lessor on account of the existence on the Leased Premises, or the release or discharge from the Leased Premises, of hazardous substances resulting from any act or omission of Lessee, its employees, agents, or contractors," including, without limitation, any claims, costs, losses, liabilities and expenses arising from the violation (or claimed violation) of any environmental laws or the institution of

any action by any party against Lessor or the Leased Premises based upon nuisance, negligence or other tort theory alleging liability due to the improper generation, storage, disposal, removal, transportation or treatment of hazardous substances or the imposition of a lien on any part of the Leased Premises under the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended ("CERCLA"), or any other laws pursuant to which a lien may be imposed due to the existence of hazardous substances. Lessee further unconditionally, absolutely, and irrevocably guarantees the payment of any fees and expenses incurred by Lessor in enforcing or seeking enforcement of the liability of Lessee under this indemnification. Lessee shall not be required to indemnify and/or hold harmless Lessor for any loss, cost or expense resulting from any "hazardous substances," the presence of which predates Lessee's entry on/into the premises.

For the purposes of this Section, "hazardous substances" shall mean and include, but shall not be limited to, any element, substance, compound or mixture, including disease-causing agents, which after release into the environment or work place and upon exposure, ingestion, inhalation or assimilation into any organism, either directly or indirectly, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction or physical deformations in such organisms or their offsprings, and all hazardous and toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, asbestos and raw materials which include hazardous constituents), or any other similar substances, or materials which are included under or regulated by any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, CERCLA, and regulations adopted pursuant to such Acts, the Toxic Substances Control Act of 1976, as heretofore or currently in effect ("TSCA") and the Resource Conservation and Recovery Act of 1976, as heretofore or currently in effect (RCRA").

13. QUIET ENJOYMENT - Lessor represents and warrants to Lessee as follows:

a. It has lawful possession of the Leased Premises and good and lawful authority to execute this instrument;

b. Throughout the term hereof; Lessee may have, hold and enjoy peaceful and

uninterrupted possession of the Leased Premises and rights herein leased and granted, subject to performance by Lessee of its obligations herein.

14. LESSOR CANCELLATION RIGHTS - Lessor shall have the right, upon thirty (30) days' advance written notice to Lessee, to cancel this Lease Agreement in its entirety, upon or after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. If Lessee shall fail for thirty (30) days after the due date to pay the rental charges or other money payments required by this Lease Agreement;

b. If Lessee shall default in fulfilling any of the other terms or conditions of this Lease Agreement and shall fail to remedy said default within thirty (30) days following Lessee's receipt of written demand from Lessor to do so except that if the nature of such default is such that it cannot be remedied within said thirty (30) days, then Lessor shall have the right to cancel if Lessee shall have failed to commence remedying such default within said thirty (30) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If Lessee or any sublessee shall voluntarily abandon and discontinue the conduct and operation of its service at the Airport for a continuous period of sixty (60) days.

d. If the fixed improvements upon the leased premises shall be totally destroyed or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition.

15. LESSEE CANCELLATION RIGHTS — In addition to what is set forth in Section 2 above, Lessee shall have the right, upon thirty (30) days' advance written notice to Lessor, to cancel this Lease Agreement in its entirety upon or after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. The issuance by any court of competent jurisdiction of an injunction, order or decree preventing or restraining the use by Lessee of all or any substantial part of the Leased Premises or preventing or restraining the use of the Airport for usual Airport purposes in its entirety, or the use of any part thereof which may be used by Lessee and which is necessary for Lessee's operations on the Airport, which remains in force, unvacated or unstayed for a period of at least sixty (60) days;

b. Lessor's default in the performance of any of the terms or conditions imposed upon it by this Lease Agreement and its failure to cure such default within a period of sixty (60) days following Lessor's receipt of written demand from Lessee to do so, except that, if the nature of such default is such that it cannot be cured within said sixty (60) days, then Lessee shall have the right to cancel if Lessor shall have failed to commence remedying such default within sixty (60) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If the fixed improvements upon the Leased Premises shall be totally destroyed, or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition, Lessee may opt to cancel the Lease Agreement if the building is not restored to functional within 30 days. Rent will be "per diem" abated for any days the building is not reasonably functional.

d. In the event of destruction of all or a material portion of the Airport or the Airport facilities, or in the event that any agency or instrumentality of the federal or any state or local government shall occupy the Airport or a substantial part thereof, or in the event of military mobilization or public emergency wherein there is a curtailment, either by executive decree or legislative action of normal civilian traffic at the Airport or of the use of airplanes by the general public, and any of said events shall result in material interference with Lessee's normal operations continuing for a period in excess of sixty (60) days.

16. LIENS - Lessee shall cause to be removed any and all mechanic's or materialman's liens of any nature arising out of or because of any construction performed by Lessee upon the Leased Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Leased Premises, by or at the direction of Lessee within reasonable time not to exceed six (6) months from the completion of any such construction.

17. FORCE MAJEURE - Neither Lessor nor Lessee shall be deemed in violation of this Lease Agreement if it is prevented from performing any of its obligations hereunder by reason of acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not under its control, and the party experiencing force majeure gives written notice to the other party identifying the nature of such force majeure, and when it began. The party experiencing force majeure shall take immediate action to attempt to remove such causes of

force majeure as may occur from time to time and its operations under this Lease Agreement shall be resumed immediately after such cause has been removed, provided that neither party shall be required to settle any labor dispute except upon terms that party deems acceptable. The suspension of any obligations under this section shall not cause the term of this Lease Agreement to be extended and shall not affect any rights accrued under this Lease Agreement prior to the occurrence of the force majeure. The party giving notice of the force majeure shall also give notice of its cessation. It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of Federal Aviation Act of 1958.

18. NONDISCRIMINATION - Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under said land and the furnishing of services hereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations Department of Transportation, Subtitle A, Office of the Secretary Part 21 Non-Discrimination in Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. Lessee further agrees that in the event of breach of any of the above non-discrimination covenants, Lessor shall have the right to terminate this Agreement and to re-enter and repossess said land and facilities thereon, and hold the same as if said Agreement had never been made or issued. Lessee assures that it will undertake an affirmative action program as required by 14 C.F.R., Part 152 Subpart E, to insure that no persons shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R., Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the subpart. Lessee assures that it will require that its covered

sub organizations provide assurances to Lessor that they similarly will undertake affirmative action programs and that they will require For Lessee: or to such other address as the party to be given such notice shall from time to time designate to the other by notice given in accordance herewith.

19. WAIVER - No acceptance by Lessor of rentals, fees, charges or other payments in whole or in part. for any period or periods after a default of any of the terms, covenants, and conditions hereof, to be performed, kept or observed by Lessee, shall be deemed a waiver of any right on the part of Lessor to terminate this Lease Agreement. A waiver by Lessor of any default of Lessee, or by Lessee of any default by Lessor in the performance of any of the covenants, terms or conditions of this Lease Agreement shall not be deemed or considered to be a waiver of any other matter, and the various rights, powers, privileges, options and remedies of Lessor and Lessee herein contained shall be cumulative, and no one of them shall be deemed to be exclusive of any other, or exclusive of any rights, powers, privileges, options or remedies provided by law.

20. BINDING - All covenants, stipulations and agreements in this Lease Agreement shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

21. MODIFICATION - This Lease Agreement shall not be varied in its terms by any oral agreement or representation, or otherwise than by an instrument in writing of subsequent date hereto executed by both parties by their respective officers or other persons duly authorized.

22. INVALIDITY - In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either Lessor or Lessee in their respective rights and obligations contained in the valid terms, covenants or conditions hereof. The sectional or paragraph headings throughout this Lease Agreement are for the convenience of Lessor and Lease and are not intended nor shall they be used to construe the intent of this Lease Agreement or any part hereof, or to modify, amplify, or aid in the interpretation or construction of any of the provisions hereof. The

language in all parts of this Lease Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against Lessor, it being stipulated and agreed that Lessee participated in the drafting hereof.

23. CONTROLLING LAW - This Lease Agreement shall be construed and performance thereof shall be determined in accordance with the laws of the State of Vermont.

24. NOTICES, CONSENTS, APPROVALS - All notices, consents, and approvals required or authorized by this Agreement to be given by or on behalf of either party to the other, shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given.

CITY:
Director of Aviation
Burlington International Airport
1200 Airport Drive #1
South Burlington, Vermont 05403

LESSEE:
Enterprise Rent-A-Car, ELRAC, LLC.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective officer or representative thereunto duly authorized, the day and year first above written.

CITY OF BURLINGTON

_____ BY: _____
Witness Gene Richards, Director of Aviation

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

Dated at Burlington, Vermont, this ____ day of _____, 2017, personally appeared Gene Richards, Director of Aviation, City of Burlington, and acknowledged the foregoing instrument by him signed and sealed to be his free act and deed and the free act and deed of the City of Burlington.

Before me, _____

Notary Public
Commission Expires: _____

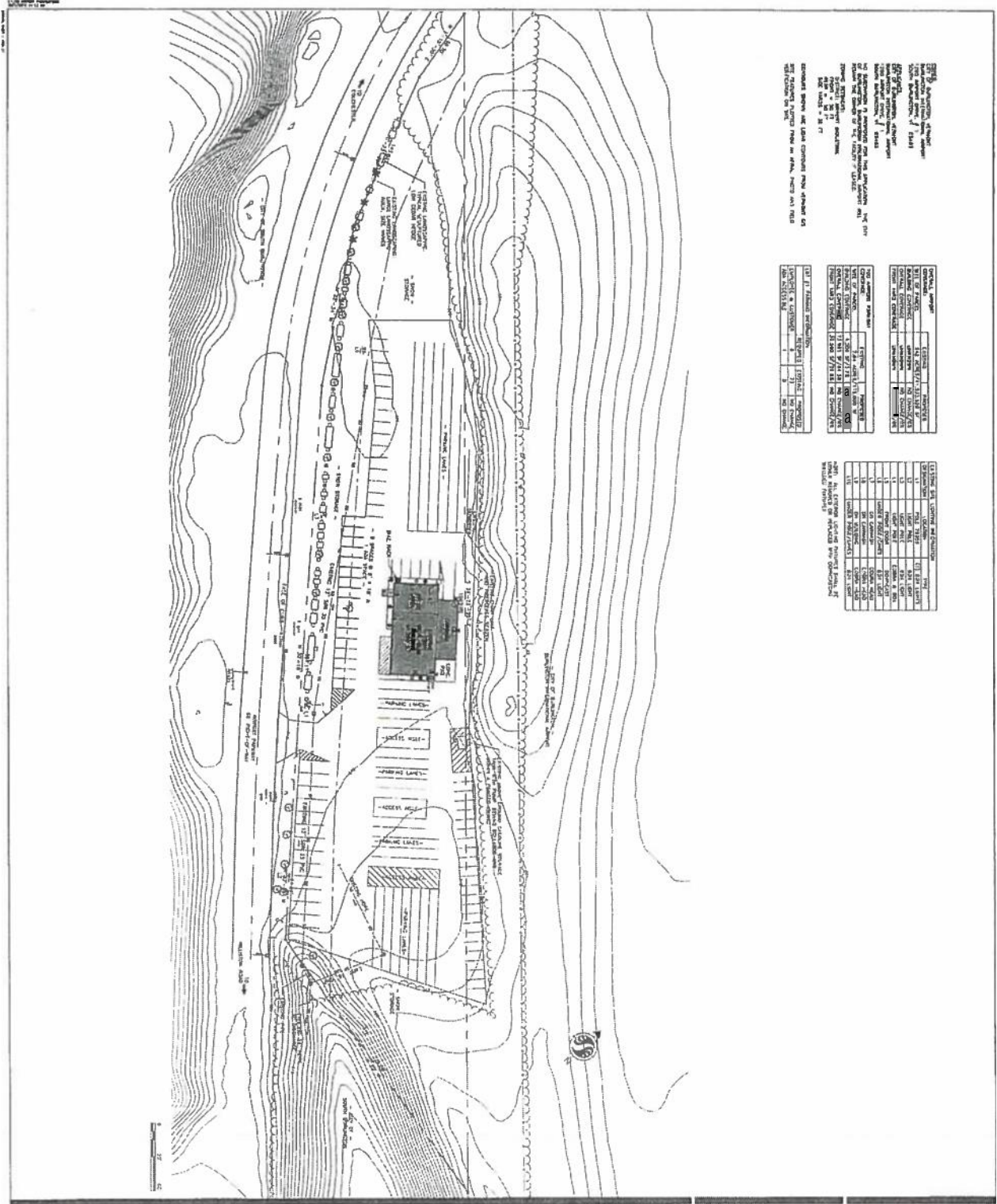
ELRAC, LLC

_____ BY: _____
Witness _____, Owner

STATE OF NEW YORK
COUNTY OF _____, SS

Dated at _____, this ____ day of _____ 2017, personally appeared before me, _____, and acknowledged the foregoing instrument by him signed and sealed to be his free act and deed and the free act and deed of _____.

Before me, _____
Notary Public
Commission Expires: _____



NOTES:
 1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 2. ALL DISTANCES ARE TO CENTERLINE UNLESS NOTED OTHERWISE.
 3. ALL ELEVATIONS ARE TO FINISH GRADE UNLESS NOTED OTHERWISE.
 4. ALL UTILITIES ARE TO BE DEEPENED TO 48" UNLESS NOTED OTHERWISE.
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 10. ALL UTILITIES ARE TO BE DEEPENED TO 48" UNLESS NOTED OTHERWISE.

ITEM	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
1	CONCRETE	100	YD	100.00	100.00
2	CEMENT	100	YD	100.00	100.00
3	STEEL	100	YD	100.00	100.00
4	BRICK	100	YD	100.00	100.00
5	ROOFING	100	YD	100.00	100.00
6	PAINT	100	YD	100.00	100.00
7	LANDSCAPING	100	YD	100.00	100.00
8	UTILITIES	100	YD	100.00	100.00
9	CONCRETE	100	YD	100.00	100.00
10	CEMENT	100	YD	100.00	100.00

ITEM	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
11	CONCRETE	100	YD	100.00	100.00
12	CEMENT	100	YD	100.00	100.00
13	STEEL	100	YD	100.00	100.00
14	BRICK	100	YD	100.00	100.00
15	ROOFING	100	YD	100.00	100.00
16	PAINT	100	YD	100.00	100.00
17	LANDSCAPING	100	YD	100.00	100.00
18	UTILITIES	100	YD	100.00	100.00
19	CONCRETE	100	YD	100.00	100.00
20	CEMENT	100	YD	100.00	100.00

OWNER: CITY OF BURLINGTON, VERMONT
DESIGNER: BUREAU OF ENGINEERING AND ARCHITECTURE
DATE: 10/1/11
SCALE: 1" = 100'
PROJECT: EXISTING CONDITION SITE PLAN

ITEM	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
21	CONCRETE	100	YD	100.00	100.00
22	CEMENT	100	YD	100.00	100.00
23	STEEL	100	YD	100.00	100.00
24	BRICK	100	YD	100.00	100.00
25	ROOFING	100	YD	100.00	100.00
26	PAINT	100	YD	100.00	100.00
27	LANDSCAPING	100	YD	100.00	100.00
28	UTILITIES	100	YD	100.00	100.00
29	CONCRETE	100	YD	100.00	100.00
30	CEMENT	100	YD	100.00	100.00

NOTES:
 1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 2. ALL DISTANCES ARE TO CENTERLINE UNLESS NOTED OTHERWISE.
 3. ALL ELEVATIONS ARE TO FINISH GRADE UNLESS NOTED OTHERWISE.
 4. ALL UTILITIES ARE TO BE DEEPENED TO 48" UNLESS NOTED OTHERWISE.
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 10. ALL UTILITIES ARE TO BE DEEPENED TO 48" UNLESS NOTED OTHERWISE.

ITEM	DESCRIPTION	QUANTITY	UNIT	PRICE	TOTAL
31	CONCRETE	100	YD	100.00	100.00
32	CEMENT	100	YD	100.00	100.00
33	STEEL	100	YD	100.00	100.00
34	BRICK	100	YD	100.00	100.00
35	ROOFING	100	YD	100.00	100.00
36	PAINT	100	YD	100.00	100.00
37	LANDSCAPING	100	YD	100.00	100.00
38	UTILITIES	100	YD	100.00	100.00
39	CONCRETE	100	YD	100.00	100.00
40	CEMENT	100	YD	100.00	100.00

NOTES:
 1. ALL DIMENSIONS ARE TO FACE UNLESS NOTED OTHERWISE.
 2. ALL DISTANCES ARE TO CENTERLINE UNLESS NOTED OTHERWISE.
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 10. ALL UTILITIES ARE TO BE DEEPENED TO 48" UNLESS NOTED OTHERWISE.

Scientific
 1000 Main Street
 Burlington, VT 05401
 Phone: 802-249-1234
 Fax: 802-249-1235
 Website: www.scientific.com

LEASE AGREEMENT FOR 700 AIRPORT PARKWAY BETWEEN
BURLINGTON INTERNATIONAL AIRPORT AND ELRAC, LLC

THIS LEASE AGREEMENT executed this ____ day of _____, 2017 by and between the City of Burlington, a municipal corporation in the State of Vermont (hereinafter called "Lessor" or "City"), and ELRAC, LLC, a Delaware limited liability company authorized to do business in the State of Vermont (hereinafter called "Lessee").

WITNESSETH:

WHEREAS, Lessor owns and operates an airport known as the Burlington International Airport located in South Burlington, Vermont, which airport and any additions or improvements thereto or changes therein which the City hereafter makes or authorizes are hereinafter collectively called the "Airport"; and

WHEREAS, Lessor wishes to enter into a lease for a certain portion of lands and improvements it owns, in the interest of furthering and carrying on its purpose in the operation of the Airport and in the public interest and the interest of public airport purposes.

WHEREAS, Lessee desires to lease certain premises owned by Lessor on the Airport as hereinafter described, together with certain rights and privileges in connection therewith for the purpose of automobile rental car storage, prep, repair, cleaning, sales, and related uses;

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and promises herein contained, the parties hereby covenant and agree as follow

1. PREMISES. - Lessor hereby leases to Lessee for its exclusive use, and Lessee hereby hires and takes from Lessor, the building known as 700 Airport Parkway, consisting of Four Thousand One Hundred and Fifty-Four (4,154) square feet of industrial space, together with a parcel of land consisting of approximately 2.64 acres located adjacent to the 700 Airport Parkway Building, with an estimated 70,000 square foot parking lot as shown on the plans or sketches attached hereto and marked Exhibit "A" and hereby specifically made a part hereof, to have and to hold the said premises (collectively referred to hereinafter as the "Leased Premises").

2. TERM - The term of this Agreement shall be five (5) years with one (1) additional five (5) year option. This Agreement shall be subject to termination by either Lessor or Lessee, following Lessor's fit up as described more fully below, at either party's sole discretion, on not less than Ninety (90) days advance written notice.

3. RENTAL - The Rental term shall commence April 1, 2017, or ninety (90) days after the receipt of local permits, whichever dates comes sooner. For and during the term hereof, Lessee shall pay Lessor the following annual rentals for the use and occupancy of the Leased Premises in equal monthly installments in advance, on or before the first business day of each calendar month of the term, at the office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive # 1, South Burlington, Vermont 05403:

Year 1 – Effective April 1, 2017, or 90 days after receipt of Permits (whichever comes sooner):

\$27,066 per annum
\$2,255.50 monthly
\$6.50 per square foot

Year 2 – Effective _____ 1, 2018:

\$30,000 per annum
\$2,500 monthly
\$7.20 per square foot

Year 3 – Effective _____ 1, 2019

\$36,000 per annum
\$3,000 per month
\$8.65 per square foot

Year 4 - Effective _____ 1, 2020

3% annual increase from 2019

Year 5 – Effective _____ 1, 2021

3% annual increase from 2020

In addition to the above:

- a. Rent shall be due in advance of the first day of each month, without demand, for the duration of this Agreement.
- b. Any amounts payable which shall not have been paid when due shall bear interest at the

rate of one and a half percent (1 1/2%) per month, which interest shall be paid by Lessee in addition to such amount.

- c. Renewals — Provided Lessee is not in default of lease terms and conditions further described and subject to the prior approval of the City of Burlington City Council, Lessee has the right to renew the lease agreement for an additional five (5) year option. Written authorization of this extension shall be 90 days prior to the end of the initial term.

4. TAXES AND INSURANCE - Lessee shall also pay taxes and insurance on the property estimated to be \$3.00 per square foot or \$1,041 per month in addition to the above referenced rental amount, with an increase per year in the amount of 3% over the previous year.

5. SECURITY DEPOSIT - Lessee shall provide a security deposit equivalent to one months' rent, as well as first months' rent prior to lessees' move in date.

6. USE OF PREMISES - The Leased Premises shall be used and occupied solely as an automobile rental car storage, prep, repair, cleaning, sales, and related business. Without limiting the foregoing, but merely by way of example, Lessee shall not use any portion of the Leased Premises to conduct any operations that will compete with any other businesses presently leasing from Lessor, with one example being the operation of a long-term parking facility for Airport customers. Any and all business uses must be approved in advance by the Director of Aviation to ensure that it will not affect the business of the Airport in a negative way.

7. AGREEMENT SUBORDINATE - This Agreement shall be subject and subordinate to the following:

- a. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft;

- b. This Agreement shall be subordinate to the provisions of any existing or any future agreement between Lessor and the State of Vermont and/or the United States of America relative to

the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State Funds for the development of the Airport.

c. Lessor's right, during time of war or national emergency to lease the landing facilities or any part thereof, or to otherwise permit the use thereof on an exclusive basis, by the United States of America or the State of Vermont for military use; the provisions of this Agreement, to the extent that they are inconsistent with these superior rights, shall be suspended during any such period.

8. LESSEE OBLIGATIONS - Lessee covenants and agrees at its own expense:

a. This Lease Agreement is contingent upon Lessee receiving all federal, state and local approvals required for the operation of an automobile rental car storage, prep, repair, cleaning, sales, and related business;

b. To pay the rent and other charges herein reserved at such times and places as the same are payable;

c. To accept the premises "AS IS", to furnish the Leased Premises, to transfer all utilities into Lessor's name, and to pay all charges for telephone service, sewage service, storm water, janitorial services, trash and/or hazardous waste removal, snow removal and janitorial service, water, electric power, heat, gas, air conditioning and other public utilities of every kind and to transfer these utilities in the Lessee's name;

d. To perform construction estimated cost being \$19.95 per square foot, as shown in Exhibit B, securing all necessary federal, state, and local permits as required and using licensed contractors to do so, to keep and maintain all parts of the Leased Premises, including related and associated appurtenances, in good condition, order and repair during the term of this Agreement, including but not limited to painting, lighting, removal of snow and garbage, landscaping, replacement of broken glass with glass the same size and quality of that broken, installed and operating equipment, and utility services. All maintenance shall be subject to general monitoring by Lessor to insure a continuing high quality of appearance commensurate with maintenance and safety standards of the Airport. Lessee shall not be

responsible for maintenance and repair of any portion of utility lines which are located outside of the building in which the demised premises are located, unless such repair is required as the result of an act or omission of Lessee, its representatives, employees, agents, or contractors. Lessor shall be responsible for the maintenance and repair of the structure of the building, including the roof, foundation and exterior portions, unless such repair required as is the result of an act or omission of Lessee, its representative's employees, agents, or contractors.

e. To observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statutes, ordinances, regulations, standards, conditions and agreements applicable to Lessee for its use of the Leased Premises, including, but not limited to, ordinances, rules and regulations promulgated from time to time by or at the direction of Lessor for the administration of the Airport; at its own expense to submit to and comply with the requirements of all state and federal regulatory agencies or municipal boards having jurisdiction over the construction of any fixed improvements on the Leased Premises, including, but not limited to, any Environmental Board or Board of Health; and at its own expense to comply with the standards for accessible design known as the Americans with Disabilities Act Accessibility Guidelines in connection with any new construction or alteration of the Leased Premises. Lessee shall bear the burden of this obligation regardless of whether any such Agency or Board shall require that Lessor be the applicant of record.

f. Lessee shall carry comprehensive general liability insurance with responsible insurance underwriters, qualified to transact business in the State of Vermont, insuring Lessee and Lessor, as their interests may appear, against all legal liability for injuries to persons (including wrongful death) and damages to property caused by Lessee's use and occupancy of the Leased Premises or otherwise caused by Lessee's activities or operations thereon (including any act or omission by Lessee, its agents, employees, or contractors, resulting in the release of hazardous substances as defined in paragraph 12 below) with liability limits of not less than \$3,000,000 for any one person, and not less than \$5,000,000 for any accident involving injury (including wrongful death) to more than one person and not less than \$5,000,000 for property damage resulting from any one accident. In addition, Lessee shall maintain fire, casualty, worker's compensation, business interruption (in sufficient amounts so as to enable Lessee to

meet its rent obligations), flood and other appropriate types of coverage with insurers acceptable to Lessor, in such amounts as are acceptable to Lessor including hazard and extended coverage covering all leasehold improvements (excluding building, parking lot and utilities), chattels, furniture, fixtures, machinery and equipment located on the premises. Such policies shall name Lessor as additional insured. Such policies shall also contain a standard or "New York" loss payable clause and shall provide for at least thirty (30) days prior written notification to Lessor of any termination, cancellations or material modification of such policies. Lessee shall, within ten (10) days after the execution of this Lease Agreement, furnish Lessor with certificates of such insurance, which shall provide that Lessor is an insured under said policy. Thereafter, Lessee shall furnish Lessor with certificates of such insurance at no less than six month intervals during the term of this Lease Agreement. Lessor shall have the right to examine such insurance policies upon reasonable notice to Lessee.

g. To pay directly to the taxing authority any and all personal property inventory taxes or assessments which may be assessed against the Leased Premises and its contents during the term hereof or any renewal term.

h. To commit no actionable waste or nuisance upon the Leased Premises and shall not do or permit to be done anything which may result in the creation, commission or maintenance of any such waste or nuisance on said premises or the Airport.

i. To erect, construct, install, or make, or cause to be erected, constructed, installed, or made, all improvements on or to the Leased Premises which are deemed fit or proper for the conduct of its business. All additions or improvements shall be subject to the prior written consent of Lessor, said consent not to be unreasonably withheld. All new construction and alterations of the Leased Premises shall be at the expense of Lessee and must comply with the standards for accessible design known as the Americans with Disabilities Act Accessibility Guidelines. All improvements or alterations erected or made to the premises shall on expiration or sooner termination of this Agreement belong to Lessor without compensation to Lessee. All additions or improvements must comply with all Local, State, and Federal regulations and the required permitting. All additions or improvements shall

comply with all Federal Aviation Administration regulations which applies to proximity of an airport.

j. To observe and comply with any and all present and future security regulations and procedures and operational procedures promulgated from time to time by or at the direction of Lessor for the administration of the Airport.

k. That the management, maintenance and operation of the Leased Premises shall at all times be under the supervision and direction of an active, qualified, competent representative of Lessee, and Lessee shall identify its representative, and any successor, in writing to Lessor.

l. To properly handle, remove and dispose of any and all lubricants and/or hazardous waste and to maintain the demised premises in a clean and safe condition.

9. LESSOR OBLIGATIONS - Lessor shall provide the building in an as is condition.

10. ENTRY OF PREMISES - Lessor, and its authorized officers, employees, agents, contractors, sub-contractors and other representatives, shall have the right to enter upon the Leased Premises for the following purposes:

- a. To inspect the Leased Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether Lessee has complied and is complying with the terms and conditions of this Lease Agreement and Lessee shall provide the Director of Aviation with serviceable keys to all of its facilities so as to permit the exercise of Lessor's rights hereunder; To perform essential maintenance, repair, relocation or removal of existing underground or overhead wires, pipes, drains, cables and conduits now located on or across the Leased Premises, and to construct, maintain, repair, relocate and remove such facilities in the future if necessary to carry out the master plan of development of the Airport provided, however, that said work shall in no event disrupt or unduly interfere with the operations of Lessee. Nothing herein shall be construed to impose upon Lessor any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do

so. Lessee is and shall be in exclusive possession of the Leased Premises and Lessor shall not in any event be liable for any damage to the premises or to any property of Lessee or of any other persons located in or thereupon, other than to repair or remedy such damage as may be occasioned by negligence of Lessor, its employees or agents.

11. INDEMNIFICATION - Lessee shall indemnify, defend, and save harmless Lessor, its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns, individually or collectively, from and against all liability for any fines, claims, suits, liens, demands, actions or cause of action of any kind and nature for personal injury, death or property damage in any way arising out of or resulting from any activity or operation of Lessee on the Leased Premises or the Airport, and Lessee further agrees to pay all expenses in defending against any such claims made against Lessor, its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns, individually or collectively, provided, however, that Lessee shall not be liable for any injury, damage or loss occasioned by the sole negligence or willful misconduct of the Lessor its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns. Lessee shall give prompt and timely notice to Lessor (and copying the City of Burlington at: Attention: City Attorney, City Hall, Burlington, VT 05401) of any claim made or suit instituted which, in any way, directly or indirectly contingently or otherwise, affects or may affect Lessor.

12. HAZARDOUS WASTES - Lessee at its own expense shall properly handle, remove and dispose of any and all lubricants and/or hazardous waste and/or hazardous substances and shall maintain the Leased Premises in a clean and safe condition.

In addition, Lessee unconditionally, absolutely and irrevocably indemnifies and agrees to defend and hold harmless Lessor from and against all loss, cost and expense (including, without limitation, attorney's fees) of whatever nature suffered or incurred by Lessor on account of the existence on the Leased Premises, or the release or discharge from the Leased Premises, of hazardous substances resulting from any act or omission of Lessee, its employees, agents, or contractors," including, without limitation, any claims, costs, losses, liabilities and expenses arising from the violation (or claimed violation) of any environmental laws or the institution of

any action by any party against Lessor or the Leased Premises based upon nuisance, negligence or other tort theory alleging liability due to the improper generation, storage, disposal, removal, transportation or treatment of hazardous substances or the imposition of a lien on any part of the Leased Premises under the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended ("CERCLA"), or any other laws pursuant to which a lien may be imposed due to the existence of hazardous substances. Lessee further unconditionally, absolutely, and irrevocably guarantees the payment of any fees and expenses incurred by Lessor in enforcing or seeking enforcement of the liability of Lessee under this indemnification. Lessee shall not be required to indemnify and/or hold harmless Lessor for any loss, cost or expense resulting from any "hazardous substances," the presence of which predates Lessee's entry on/into the premises.

For the purposes of this Section, "hazardous substances" shall mean and include, but shall not be limited to, any element, substance, compound or mixture, including disease-causing agents, which after release into the environment or work place and upon exposure, ingestion, inhalation or assimilation into any organism, either directly or indirectly, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction or physical deformations in such organisms or their offsprings, and all hazardous and toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, asbestos and raw materials which include hazardous constituents), or any other similar substances, or materials which are included under or regulated by any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, CERCLA, and regulations adopted pursuant to such Acts, the Toxic Substances Control Act of 1976, as heretofore or currently in effect ("TSCA") and the Resource Conservation and Recovery Act of 1976, as heretofore or currently in effect (RCRA").

13. QUIET ENJOYMENT - Lessor represents and warrants to Lessee as follows:

a. It has lawful possession of the Leased Premises and good and lawful authority to execute this instrument;

b. Throughout the term hereof; Lessee may have, hold and enjoy peaceful and

uninterrupted possession of the Leased Premises and rights herein leased and granted, subject to performance by Lessee of its obligations herein.

14. LESSOR CANCELLATION RIGHTS - Lessor shall have the right, upon thirty (30) days' advance written notice to Lessee, to cancel this Lease Agreement in its entirety, upon or after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. If Lessee shall fail for thirty (30) days after the due date to pay the rental charges or other money payments required by this Lease Agreement;

b. If Lessee shall default in fulfilling any of the other terms or conditions of this Lease Agreement and shall fail to remedy said default within thirty (30) days following Lessee's receipt of written demand from Lessor to do so except that if the nature of such default is such that it cannot be remedied within said thirty (30) days, then Lessor shall have the right to cancel if Lessee shall have failed to commence remedying such default within said thirty (30) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If Lessee or any sublessee shall voluntarily abandon and discontinue the conduct and operation of its service at the Airport for a continuous period of sixty (60) days.

d. If the fixed improvements upon the leased premises shall be totally destroyed or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition.

15. LESSEE CANCELLATION RIGHTS — In addition to what is set forth in Section 2 above, Lessee shall have the right, upon thirty (30) days' advance written notice to Lessor, to cancel this Lease Agreement in its entirety upon or after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. The issuance by any court of competent jurisdiction of an injunction, order or decree preventing or restraining the use by Lessee of all or any substantial part of the Leased Premises or preventing or restraining the use of the Airport for usual Airport purposes in its entirety, or the use of any part thereof which may be used by Lessee and which is necessary for Lessee's operations on the Airport, which remains in force, unvacated or unstayed for a period of at least sixty (60) days;

b. Lessor's default in the performance of any of the terms or conditions imposed upon it by this Lease Agreement and its failure to cure such default within a period of sixty (60) days following Lessor's receipt of written demand from Lessee to do so, except that, if the nature of such default is such that it cannot be cured within said sixty (60) days, then Lessee shall have the right to cancel if Lessor shall have failed to commence remedying such default within sixty (60) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If the fixed improvements upon the Leased Premises shall be totally destroyed, or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition, Lessee may opt to cancel the Lease Agreement if the building is not restored to functional within 30 days. Rent will be "per diem" abated for any days the building is not reasonably functional.

d. In the event of destruction of all or a material portion of the Airport or the Airport facilities, or in the event that any agency or instrumentality of the federal or any state or local government shall occupy the Airport or a substantial part thereof, or in the event of military mobilization or public emergency wherein there is a curtailment, either by executive decree or legislative action of normal civilian traffic at the Airport or of the use of airplanes by the general public, and any of said events shall result in material interference with Lessee's normal operations continuing for a period in excess of sixty (60) days.

16. LIENS - Lessee shall cause to be removed any and all mechanic's or materialman's liens of any nature arising out of or because of any construction performed by Lessee upon the Leased Premises or arising out of or because of the performance of any work or labor upon or the furnishing of any materials for use at the Leased Premises, by or at the direction of Lessee within reasonable time not to exceed six (6) months from the completion of any such construction.

17. FORCE MAJEURE - Neither Lessor nor Lessee shall be deemed in violation of this Lease Agreement if it is prevented from performing any of its obligations hereunder by reason of acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not under its control, and the party experiencing force majeure gives written notice to the other party identifying the nature of such force majeure, and when it began. The party experiencing force majeure shall take immediate action to attempt to remove such causes of

force majeure as may occur from time to time and its operations under this Lease Agreement shall be resumed immediately after such cause has been removed, provided that neither party shall be required to settle any labor dispute except upon terms that party deems acceptable. The suspension of any obligations under this section shall not cause the term of this Lease Agreement to be extended and shall not affect any rights accrued under this Lease Agreement prior to the occurrence of the force majeure. The party giving notice of the force majeure shall also give notice of its cessation. It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of Federal Aviation Act of 1958.

18. NONDISCRIMINATION - Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over or under said land and the furnishing of services hereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations Department of Transportation, Subtitle A, Office of the Secretary Part 21 Non-Discrimination in Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended. Lessee further agrees that in the event of breach of any of the above non-discrimination covenants, Lessor shall have the right to terminate this Agreement and to re-enter and repossess said land and facilities thereon, and hold the same as if said Agreement had never been made or issued. Lessee assures that it will undertake an affirmative action program as required by 14 C.F.R., Part 152 Subpart E, to insure that no persons shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R., Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the subpart. Lessee assures that it will require that its covered

sub organizations provide assurances to Lessor that they similarly will undertake affirmative action programs and that they will require For Lessee: or to such other address as the party to be given such notice shall from time to time designate to the other by notice given in accordance herewith.

19. WAIVER - No acceptance by Lessor of rentals, fees, charges or other payments in whole or in part. for any period or periods after a default of any of the terms, covenants, and conditions hereof, to be performed, kept or observed by Lessee, shall be deemed a waiver of any right on the part of Lessor to terminate this Lease Agreement. A waiver by Lessor of any default of Lessee, or by Lessee of any default by Lessor in the performance of any of the covenants, terms or conditions of this Lease Agreement shall not be deemed or considered to be a waiver of any other matter, and the various rights, powers, privileges, options and remedies of Lessor and Lessee herein contained shall be cumulative, and no one of them shall be deemed to be exclusive of any other, or exclusive of any rights, powers, privileges, options or remedies provided by law.

20. BINDING - All covenants, stipulations and agreements in this Lease Agreement shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

21. MODIFICATION - This Lease Agreement shall not be varied in its terms by any oral agreement or representation, or otherwise than by an instrument in writing of subsequent date hereto executed by both parties by their respective officers or other persons duly authorized.

22. INVALIDITY - In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either Lessor or Lessee in their respective rights and obligations contained in the valid terms, covenants or conditions hereof. The sectional or paragraph headings throughout this Lease Agreement are for the convenience of Lessor and Lease and are not intended nor shall they be used to construe the intent of this Lease Agreement or any part hereof, or to modify, amplify, or aid in the interpretation or construction of any of the provisions hereof. The

language in all parts of this Lease Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against Lessor, it being stipulated and agreed that Lessee participated in the drafting hereof.

23. CONTROLLING LAW - This Lease Agreement shall be construed and performance thereof shall be determined in accordance with the laws of the State of Vermont.

24. NOTICES, CONSENTS, APPROVALS - All notices, consents, and approvals required or authorized by this Agreement to be given by or on behalf of either party to the other, shall be in writing and signed by a duly designated representative of the party by or on whose behalf they are given.

CITY:
Director of Aviation
Burlington International Airport
1200 Airport Drive #1
South Burlington, Vermont 05403

LESSEE:
Enterprise Rent-A-Car, ELRAC, LLC.

Remainder of Page Intentionally Left Blank

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective officer or representative thereunto duly authorized, the day and year first above written.

CITY OF BURLINGTON

_____ BY: _____
Witness Gene Richards, Director of Aviation

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

Dated at Burlington, Vermont, this ____ day of _____, 2017, personally appeared Gene Richards, Director of Aviation, City of Burlington, and acknowledged the foregoing instrument by him signed and sealed to be his free act and deed and the free act and deed of the City of Burlington.

Before me, _____

Notary Public
Commission Expires: _____

ELRAC, LLC

_____ BY: _____
Witness _____, Owner

STATE OF NEW YORK
COUNTY OF _____, SS

Dated at _____, this ____ day of _____ 2017, personally appeared before me, _____, and acknowledged the foregoing instrument by him signed and sealed to be his free act and deed and the free act and deed of _____.

Before me, _____
Notary Public
Commission Expires: _____



BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners
City of Burlington, Board of Finance
City of Burlington, City Council

FROM: Burlington International Airport Staff
Nic Longo, Director of Planning and Development

DATE: January 17, 2017

SUBJECT: AIP-109 - Kirby Cottages Lease Agreements

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for multiple lease agreements for each house located at the Kirby Cottages, Lily Lane South Burlington, Vermont. The Airport also request Board of Finance approval and Recommendation to City Council, as well as City Council Authorization for multiple leases at the Kirby Cottages.

As you are aware, the Airport is in the process of acquiring multiple homes within the 73 dB DNL contour lines, from our Federal Aviation Administration (FAA) Approved Noise Exposure Maps. This program is regulated by the FAA, and as such, each of the houses and determination of next steps must be coordinated with them. There are 7 homes located on Lily Lane, called the Kirby Cottages. These homes are being acquired because they are located within the 75 dB DNL line, making them ineligible for other mitigation strategies. It is the intention of the Airport to do everything we can by following all Federal Regulations to physically relocate these homes to satisfy the FAA's program. Currently, the Airport has acquired only 1 of the 7 properties.

By waiting for all 7 property owners to voluntarily sell as part of this program, we would then be able to request bids to relocate these homes. We are working with the FAA on making this program a success and reusing and/or recycling as much of the houses as possible. Packaging all 7 properties would make this more attractive to bid out competitively. As we work with each homeowner on the sale of the remaining houses, which may take several months, we want to preserve the quality of each of these homes in preparation of the bidding process. By working strenuously with the FAA on different opportunities to preserve these houses, we collaboratively came up with the attached rental lease

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)

Fax: (802) 863-7947

www.btv.aero

to occupy the house to deter vandalism and deterioration of the house. This is typically not authorized, however, the FAA agrees with house on the direction we are headed. The terms of

each of the houses will be strictly short term, and on a monthly basis. Because this is a federal program, revenue streams are not authorized and therefore these rentals will be rent free, although a refundable security deposit will be collected. All utilities will also be transferred into the renter's name. Further, these properties will only be authorized for, what the FAA and this lease refers to as "Crew Quarters". The definition of Crew is related to Airport Employees (not City of Burlington) only, i.e., Airline Employees. The 7 Properties are located at 10 Lily Lane, 12 Lily Lane, 14 Lily Lane, 16 Lily Lane, 18 Lily Lane, 20 Lily Lane, and 22 Lily Lane. We request Commission and Board of Finance approval and recommendation as well as City Council authorization to lease out each of the properties based on the attached lease.

Thank you for your continued support.

**BURLINGTON INTERNATIONAL AIRPORT
SHORT TERM CREW QUARTERS RESIDENTIAL LEASE AGREEMENT
22 KIRBY LANE, SOUTH BURLINGTON, VT**

This Lease Agreement is entered into by and between the Burlington International Airport ("Lessor" or "Landlord") and _____ ("Lessee" or "Tenant").

WITNESSETH:

In consideration of the rents herein reserved and the mutual covenants contained herein, the parties hereto agree as follows:

1. **PREMISES:** Landlord hereby demises and leases unto Tenant, and Tenant hereby leases and takes from Landlord, for the purposes of having short term crew quarters as an airport tenant employee, a certain residential dwelling owned by Landlord and located at ___ Lily Lane in South Burlington, Vermont (the "Premises").
2. **TERM:** This lease shall be for a month-to-month term commencing _____ **2017** and will expire on the earlier to occur of: (i) _____; or (ii) the date the Lessee vacates the leased premises. The Lessee is required to remit keys to the Premises and surrender possession of the Premises to the Lessor no later than _____. For the purpose of this lease, "vacating" shall mean when the dwelling is no longer inhabited by Lessee or anyone claiming under Lessee and all personal property has been removed. Notwithstanding anything to the contrary contained herein, this Lease may be terminated upon thirty (30) days written notice by the Lessor to the Lessee.
3. **HOLD OVER:** If Lessee remains in possession of the Premises after _____, rental for such tenancy shall be fixed at _____ (\$_____) per month. Acceptance by the Lessor of rent after such termination shall not constitute a renewal of this Lease or a consent to such occupancy. The provisions of this paragraph shall not constitute a waiver by Lessor of any right of re-entry as hereinafter set forth; nor shall receipt of any rent or any other act in apparent affirmance of tenancy operate as a waiver of the right to terminate this lease for a breach of any of the covenants herein. Such tenancy shall be wrongful and shall be deemed a violation of the terms of this Lease.
4. **RENT:** No rent shall be due for the term of the lease. Thereafter, see Paragraph 3 above.
5. **SECURITY DEPOSIT:** Tenant shall pay Landlord the amount of _____ and 00/100 Dollars (\$____.00) as a security deposit (the "Security Deposit") for the faithful performance and observance by Tenant of the terms and conditions of this Lease. Under no circumstances may Tenant apply the security deposit towards the rental due during the Term unless agreed in writing by Landlord. Landlord may retain all or a portion of the security deposit for:
 - a. Non-payment of rent due pursuant to the terms and conditions of this Lease;
 - b. Damages incurred by Landlord by reason of Tenant's default or breach of any of the terms and conditions of this Lease, including, but not limited to, damages to the Premises beyond normal wear and tear caused by Tenant or Tenant's guests or invitees, and attorney's fees and costs incurred by Landlord in enforcing the terms and conditions of this Lease.

- c. Cleaning costs of the Premises incurred by Landlord.
 - d. Expenses required to remove and/or store personal property abandoned by Tenant in the Premises.
 - e. Unpaid utility costs by tenant.
6. **USE OF PREMISES:** Tenant shall use the Premises for residential housing only, and no other use will be allowed. No more than _____ (____) persons shall reside in the Premises at any time during the Term of this Lease, unless written approval is received by the Director of Aviation, and all adults occupying the Premises must execute this Lease and provide the remainder portion of the Fair Market Value Rent which has been identified as an additional _____ and 00/100 Dollars (\$____.00) a total of _____ and 00/100 Dollars (\$____.00)
7. **UTILITIES:** The Lessee agrees that it will put into lessees name and pay all costs for all utilities for the Premises, including but not limited to, water, gas, electricity, sewer charges, telephone, and other utilities used or consumed upon the Premises as and when the charges for the same become due and payable.
8. **DAMAGES TO THE PREMISES/WASTE:** Tenant shall not intentionally or negligently commit waste or allow waste or other damage to be committed upon and to the Premises and shall be liable to Landlord for all associated damages including, but not limited to, costs incurred by Landlord for repairs to the Premises.
9. **INSPECTION & RENTAL:**
- a. Landlord may enter the Premises with Tenant's consent which shall not be unreasonably withheld.
 - b. Landlord may also enter the Premises for the following purposes between the hours of 9:00 a.m. and 9:00 p.m. on no less than 48 hours' notice:
 - i. When necessary to inspect the Premises;
 - ii. To make necessary or agreed repairs, alterations or improvements;
 - iii. To supply agreed upon services; or
 - iv. To exhibit the Premises to prospective or actual purchasers, mortgagees, tenants, workers or contractors.
 - c. Landlord may enter the Premises without consent of or notice to Tenant when Landlord has a reasonable belief that there is an emergency or imminent danger to any person or to property.
10. **SUB-LEASE/ASSIGNMENT:** Lessee is not permitted to post any "For Rent" signs, or rent, sublet, assign or grant the use or possession of the leased premises in any matter.

11. **DEFAULT OR ABANDONMENT:** Should the Lessee fail to: (i) pay the utility charges for the premises; (ii) fail to maintain the premises; or (iii) violate any other provision of this Lease, or should Lessee or any of Lessee's guests or invitees fail to maintain a standard of behavior consistent with the consideration necessary to provide reasonable safety, peace, and quiet to neighbors such as being boisterous or disorderly, creating undue noise, disturbance, or nuisance of any nature or kind, engaging in any unlawful or immoral activities, Lessee shall be in default of this Lease, without the necessity of demand or notice from Lessor. In the event of such default hereunder, Lessor may elect any remedy at law or in equity under Vermont law, including the remedy of repossession of the premises.
12. **TERMINATION OF TENANCY:** Tenant may not terminate the tenancy created pursuant to this Lease or otherwise cancel this Lease prior to the expiration of the Term except with written consent from Landlord. Landlord may terminate Tenant's tenancy created pursuant to this Lease as follows:
 - a. Termination for non-payment of rent. Landlord may terminate the tenancy created hereunder for non-payment of rent by providing notice to Tenant in accordance with Vermont law.
 - b. Termination for breach of rental agreement. Landlord may terminate the tenancy created hereunder for failure of Tenant to comply with a material term of this Lease or for failure of Tenant to comply with Tenant's obligations under Title 9, Chapter 137 of Vermont Statutes Annotated by providing notice to Tenant in accordance with Vermont law.
 - c. Termination for other grounds. Landlord may terminate the tenancy created hereunder for any reason consistent with the provisions of Title 9, Chapter 137 of Vermont Statutes Annotated by providing notice to Tenant in accordance with Vermont law.
13. **LEGAL FEES, COST OF ENFORCEMENT:** In the event of legal action to enforce the terms of this Lease or the Vermont Residential Rental Agreements Act, Title 9, Subchapter 137 of Vermont Statutes Annotated, the prevailing party shall be entitled to recover from the other all reasonable attorney's fees and costs incurred in connection with the matter.
14. **TRASH REMOVAL:** Tenant shall be responsible for removing and disposing of his/her own trash and recycling from the Premises. Tenant may place household trash and recycling in the trash and recycling facilities associated with the Premises.
15. **MAINTENANCE AND REPAIRS:** Lessor shall NOT be liable for any maintenance or repairs to the leased premises including maintenance of the yard, utility services, structural components, and heating and air conditioning equipment. Any work on or alternations to the Premises by Tenant shall not be done without the written consent of Landlord.
16. **NOISE/NUISANCE:** Tenant shall not create a nuisance in or about the Premises and shall not cause excessive noise which disturbs adjoining property owners or tenants.
17. **PETS:** Pets are not allowed on the Premises.
18. **INSURANCE:** Tenant shall be solely responsible for insuring against loss or damage or injury to Tenant or Tenant's personal property by theft, fire, flood or other casualty of any

kind. Landlord encourages Tenant to obtain renter's insurance to provide coverage for loss, damage or theft to Tenant's personal property.

19. **FIRE AND CASUALTY:** In the event the Premises are destroyed or damaged by fire or other unavoidable casualty so that the Premises are thereby rendered unfit for use and occupancy, then the rent or a just part thereof shall be abated until such times as repairs are completed according to the nature and extent of the damaged condition for use by Tenant. In the case of fire or other casualty, Tenant shall provide immediate notice thereof to Landlord who may repair the Premises or, if the Premises are so damaged that Landlord decides not to repair, the tenancy hereby created shall cease and no rent shall be due from Tenant for any period beyond the date of fire or other casualty.
20. **SURRENDER:** Tenant shall vacate the Premises upon the expiration of the Term and leave the Premises in good condition and broom clean reasonable wear and tear excepted. Tenant shall be responsible for all damage caused to the Premises during the Term. Upon vacating the Premises, Tenant shall remove all of Tenant's personal property from the Premises, at Tenant's expense.
21. **PERFORMANCE/WAIVER:** The failure by Landlord to insist upon the strict performance of any of the terms, conditions and covenants herein, shall not be deemed a waiver of any rights or remedies that Landlord may have pursuant to this Lease, and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.
22. **LIABILITY:** The Lessor shall not be liable to Lessee, or to Lessee's employees, patrons, and visitors, or to any other person for any damage or injury to persons or property occurring on the premises for any reason whatsoever, including, without limitation, damage or injury resulting from defects on the premises. Lessee agrees to indemnify and hold Lessor harmless from all claims for injury or damage occurring on the premises or related to this Lease including, without limitation, claims resulting from defects on the premises. Lessee has inspected the premises and assumes responsibility for their condition.
23. **JOINT AND SEVERAL LIABILITY OF MULTIPLE TENANTS:** In the event that Tenant consists of more than one person, each such person shall be jointly and severally liable for the terms and conditions of this Lease.
24. **ENTIRE AGREEMENT:** Neither the Lessor nor the Lessee nor any of their agents have made any statements, promises or agreements verbally or in writing in conflict with the terms of this Agreement. Any and all representations by either of the parties or their agents made during the provisions hereof shall not be binding upon either of the parties hereto. It is further agreed that this agreement constitutes the entire, full and complete agreement between Lessor and Lessee with respect to the Property and supersedes any and all prior agreements.
25. **OTHER:** The failure of Lessor to insist upon the strict performance of the terms, covenants, agreements and conditions hereby contained, or any of them, shall not constitute or be construed as a waiver or relinquishment of the Lessor's right thereafter to enforce any such terms, covenant, agreement and condition, but the same shall continue in full force and effect.

26. **INTERPRETATION:** This Lease and the performance hereof shall be governed by and construed in accordance with the laws of the State of Vermont.
27. **EXHIBITS:** All exhibits referred to in this Agreement are intended to be and hereby are specifically made a part of this Agreement: Exhibit A, Federal Contract Provisions, and Exhibit B, City of Burlington Contract Provisions, if applicable.

The foregoing constitutes the entire Agreement between the parties and may be modified only in writing signed by the parties hereto.

LANDLORD/LESSOR - BURLINGTON INTERNATIONAL AIRPORT

By: _____

Name (printed): Gene Richards

Title: Director of Aviation

Dated: _____

TENANT/LESSEE - _____

By: _____

Name (printed): _____

Dated: _____

WITNESS: _____ Date: _____

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FEDERAL CONTRACT PROVISIONS
(Issued on January 29, 2016)

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GENERAL CIVIL RIGHTS PROVISIONS

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

Title VI Solicitation Notice:

The **City of Burlington, Burlington International Airport**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

Compliance with Nondiscrimination Requirements

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor’s obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by

Exhibit A
FEDERAL CONTRACT PROVISIONS
(Issued on January 29, 2016)

the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
- a. Withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);

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- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The contractor has full responsibility to monitor compliance to the referenced statute or regulation. The contractor must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

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FEDERAL CONTRACT PROVISIONS
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OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

Exhibit B - City of Burlington Contract Provisions

1. INDEMNIFICATION

The Contractor will act in an independent capacity and not as officers or employees of the Municipality. The Contractor shall indemnify, defend and hold harmless the Municipality and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the Contractor's acts and/or omissions in the performance of this contract. The Municipality is responsible for its own actions. The Contractor is not obligated to indemnify the Municipality or its officers, agents and employees for any liability of the Municipality, its officers, agents and employees attributable to its, or their own, negligent acts, errors or omissions.

In the event the Municipality, its officers, agents or employees are notified of any claims asserted against it or them to which this Indemnification clause may apply, the Municipality or its officers, agents and employees shall immediately thereafter notify the Contractor in writing that a claim to which the Indemnification Agreement may apply has been filed.

2. INSURANCE

GENERAL: Prior to beginning any work the Contractor shall obtain the following insurance coverage from an insurance company registered and licensed to do business in the State of Vermont and having an A.M. Best insurance rating of at least A-, financial size category VII or greater (www.ambest.com). The certificate of insurance coverage shall be documented on forms acceptable to the Municipality. Evidence of compliance with minimum limits and coverages, evidenced by a certificate of insurance showing policies and carriers that are acceptable to the Municipality, must be received prior to the effective date of the Agreement. The insurance policies shall provide that insurance coverage cannot be canceled or revised without thirty (30) days prior notice to the Municipality. In the event that this Contract extends to greater than one year, evidence of continuing coverage must be submitted to the Municipality on an annual basis. Certified copies of any insurance policies may be required. Each policy (with the exception of workers compensation) shall name the CITY as an additional insured for the possible liabilities resulting from the Contractor's actions or omissions. It is agreed that the liability insurance furnished by the Contractor is primary and non-contributory for all the additional insureds.

The Contractor is responsible to verify and confirm in writing to the CITY that:

- (a) All subcontractors, agents or workers meet the minimum coverages and limits plus maintain current certificates of coverage for all subcontractors, agents or workers. Subcontractors and contractors must comply with the same insurance requirements as the Contractor.
- (b) All coverages shall include adequate protection for activities involving hazardous materials.
- (c) All work activities related to the agreement shall meet minimum coverages and limits.

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No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Contractor for the Contractor's operations. These are solely minimums that have been developed and must be met to protect the interests of the Municipality.

GENERAL LIABILITY AND PROPERTY DAMAGE:

(a) With respect to all operations performed by the Contractor, subcontractors, agents or workers, it is the Contractor's responsibility to insure that general liability insurance coverage provides all major divisions of coverage including, but not limited to:

1. Premises Operations
2. Independent Contractors' Protective
3. Products and Completed Operations
4. Personal Injury Liability
5. Contractual Liability
6. Broad Form Property Damage
7. Medical Expenses
8. Collapse, Underground and Explosion Hazards

(b) The policy shall be on an occurrence form with limits not less than:

1. General Aggregate	\$2,000,000	
2. Products-Completed/Operations Aggregate	\$2,000,000	\$
3. Personal & Advertising Injury	\$1,000,000	
4. Each Occurrence	\$1,000,000	
5. Fire Damage (Any one fire)	\$ 250,000	
6. Med. Expense (Any one	\$ 5,000	

WORKERS' COMPENSATION: With respect to all operations performed, the Contractor shall carry workers compensation insurance in accordance with the laws of the State of Vermont and ensure that all subcontractors and subcontractors carry the same workers' compensation insurance for all work performed by them under this contract. Minimum limits for Employer's Liability:

- (a) Bodily Injury by Accident: \$500,000 each accident
- (b) Bodily Injury by Disease: \$500,000 policy limit, \$500,000 each employee

PROFESSIONAL LIABILITY INSURANCE:

(a) General. The Contractor shall carry architects/engineers professional liability insurance covering errors and omissions made during their performance of contractile duties with the following minimum limits:

\$3,000,000 - Annual Aggregate
\$1,000,000 - Per Occurrence

(b) Deductibles. The Contractor is responsible for any and all deductibles.

Exhibit B - City of Burlington Contract Provisions

- (c) Coverage. Prior to performing any work, the Contractor agrees to provide evidence of E&O insurance coverage defined under this Section. In addition, the Contractor agrees to attempt to maintain continuous professional liability coverage for the period of the agreement and whenever applicable any construction work related to this agreement, and for a period of five years following substantial completion, if such coverage is reasonably available at commercially affordable premiums.

VALUABLE PAPERS INSURANCE: The Contractor shall carry valuable papers insurance in a form and amount sufficient to ensure the restoration or replacement of any plans, drawings, field notes, or other data relating to the work, whether supplied by the Municipality or developed by the Contractor, subcontractor, worker or agent, in the event of loss, impairment or destruction of these documents. Such coverage shall remain in force until the final plans, and all related materials, have been delivered by the Contractor to, and accepted by, the Municipality.

The policy shall provide coverage on an each occurrence basis with limits not less than:

Valuable Papers	\$10,000
Electronic Data Media	\$10,000

AUTOMOBILE LIABILITY: The Contractor shall carry commercial automobile liability insurance covering all motor vehicles, including owned, non-owned and hired, used in connection with the agreement. Each policy shall provide coverage with a limit not less than: \$1,000,000 - Combined Single Limit for each occurrence.

UMBRELLA LIABILITY:

\$1,000,000 Each Event Limit
\$1,000,000 General Aggregate Limit

3. COMPLIANCE WITH LAWS

GENERAL COMPLIANCE WITH LAWS: The Contractor shall comply with all applicable Federal, State and local laws, including but not limited to the Burlington Livable Wage Ordinance and the Non-outsourcing Ordinance and shall provide the required certifications attesting to compliance with these ordinances (see attached ordinances and certifications).

Provisions of the Agreement shall be interpreted and implemented in a manner consistent with each other and using procedures that will achieve the intent of both parties. If, for any reason, a provision in the Agreement is unenforceable or invalid, that provision shall be deemed severed from the Agreement, and the remaining provisions shall be carried out with the same force and effect as if the severed provisions had never been a part of the Agreement.

ENVIRONMENTAL REGULATIONS: Any Contract in excess of one hundred thousand dollars shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. ' 1857(h)), Section 508 of the Clean Air Act (33 U.S.C. ' 1368), Executive Order 11738, and Environmental Protection Municipality regulation (40 CFR

Exhibit B - City of Burlington Contract Provisions

Part 15), that prohibit the use, under non-exempt Federal Contracts, grants or loans, of facilities included on the EPA list of Violating Facilities. The provisions require reporting of violations to the grantor, Municipality and to the USEPA Assistant Administrator for Enforcement (EN-329).

CIVIL RIGHTS and EQUAL EMPLOYMENT OPPORTUNITY: During performance of the Agreement, the Contractor will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, national origin, physical disability or veteran status.

The Contractor shall comply with the applicable provisions of Title VI of the Civil Rights Act of 1964 as amended, Executive Order 11246 as amended by Executive Order 11375 and as supplemented by the Department of Labor regulations (41 CFR Part 60). The Contractor shall also comply with the rules, regulations and relevant orders of the Secretary of Labor, Nondiscrimination regulations 49 CFR ' 21 through Appendix C, and Regulations under 23 CFR ' 710.405 (b) . Accordingly, all subcontracts shall include reference to the above. The Contractor shall comply with all the requirements of Title 21, VSA, Chapter 5, Subchapter 6 and 7, relating to fair employment practices to the extent applicable. A similar provision shall be included in any and all subcontracts.

DEBARMENT CERTIFICATION: When signing a Contract in excess of twenty five thousand dollars, the Contractor certifies under the penalty of perjury as directed by Federal laws (48 CFR 52.209-5), that, except as noted in the Agreement, the Contractor or any person associated therewith in the capacity of owner, partner, director, officer, principal investigator, project director, manager, auditor, or any position involving the administration of federal funds:

- (a) is not currently under suspension, debarment, voluntarily exclusion or determination of ineligibility by any Federal agency;
- (b) has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past three (3) years;
- (c) does not have a proposed debarment pending; and
- (d) has not been indicted, convicted, or had a civil judgment rendered against him/her by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

Exceptions will not necessarily result in denial of the Contract but will be considered in determining the Contractor's responsibility. The Agreement shall indicate any exception and identify to whom or to what Municipality it applies and dates of action. Providing false information may result in criminal prosecution or administrative sanctions.

Exceptions shall be noted in the Contract: _____

Exhibit B - City of Burlington Contract Provisions

LOBBYING: For any Agreement exceeding one hundred thousand dollars, the Contractor certifies by signing the Agreement, that to the best of their knowledge and belief on behalf of their signature:

- (a) No Federal appropriated funds have been paid or will be paid by or to any person influencing or attempting to influence an officer or employee of a government agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, renewal, amendment or modification of any Federal Contract grant, loan or cooperative Agreement.
- (b) They will complete and submit, in accordance with its instructions, Standard Form-LLL "Disclosure Form to Report Lobbying", if any funds, other than Federal appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of a government agency or a Member of Congress in connection with the Federal Agreement, grant loan, or cooperative Agreement.
- (c) They shall require that the language of this Certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact, upon which reliance was placed when the Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into the Agreement, imposed by Section 1352, Title 31, U.S.C..

Section 1352 of Title 31, U.S.C., provides, in part, that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any government agency, Member of Congress, officer or employee of Congress, or employee of a Member of Congress, in the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative Agreement.

CHILD SUPPORT PAYMENTS: By signing the Contract the Contractor certifies, as of the date of signing the Agreement, that they are (a) not under an obligation to pay child support; or (b) is under such an obligation and is in good standing with respect to that obligation; or (c) has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan. If the Contractor is a sole proprietorship, the Contractor's statement applies only to the proprietor. If the Contractor is a partnership, the Contractor's statement applies to all general partners with a permanent residence in Vermont. If the Contractor is a corporation, this provision does not apply.

Exhibit B - City of Burlington Contract Provisions

TAX REQUIREMENTS: By signing the Agreement, the Contractor certifies, as required by law under 32 VSA, Section 3113, that under the pains and penalties of perjury, he/she is in good standing with respect to payment, or in full compliance with a plan to pay, any and all taxes due the State of Vermont as of the date of signature on the Agreement.

ENERGY CONSERVATION: The Contractor shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act P.L. 94-165.

4. CONTRACTUAL AGREEMENTS

REGISTRATION: The Contractor agrees to be registered with the Vermont Secretary of State's office as a corporation doing business in the State of Vermont at all times this contract is effective. This registration must be complete prior to contract execution.

ADMINISTRATION REQUIREMENTS: By signing the Agreement the Contractor agrees to comply with the following provisions and certifies that he/she or they are in compliance with the provisions of 49 CFR ' 18.36 Procurement (i) Contract Provisions with principal reference to the following:

- (a) Copeland "Anti-Kickback" Act. For any Federal-Aid Contracts or subcontracts for construction or repair, the Contractor agrees to comply with the Copeland "Anti-Kickback" Act, 18 U.S.C. ' 874, as supplemented by Department of Labor Regulations, 29 CFR ' 3.
- (b) Davis-Bacon Act. For any Federal-Aid construction contracts in excess of \$2,000, the Contractor agrees to comply with the Davis-Bacon Act 40 U.S.C. " 276a to a-7, as supplemented by Department of Labor Regulations, 29 CFR ' 5.
- (c) Work Hours. For any Federal-Aid construction contracts in excess of \$ 2,000, or in excess of \$ 2,500 for other contracts involving employment of mechanics or laborers, the Contractor agrees to comply with the Contract Working Hours and Safety Standards Act, 40 U.S.C. " 327-330,as annexed by Department of Labor Regulations, 29 CFR □ 5.
- (d) Proprietary Rights. The parties under the Agreement hereby mutually agree that, if patentable discoveries or inventions should result from work performed under the Agreement, all rights accruing from such discoveries or inventions shall be the sole property of the Contractor. The Contractor, however, agrees to and does hereby grant to the Municipality, the State of Vermont and the United States Government an irrevocable, nonexclusive, non-transferable, and royalty-free license to practice each invention in the manufacture, use, and disposition, according to law, of any article or material or use of method that may be developed, as a part of the work under the Agreement.
- (e) Publications. All data, EDM, valuable papers and documents produced under the terms of the Agreement, shall become the property of the Municipality. The Contractor agrees to allow access to all data, EDM, valuable papers and documents at all times. The

Exhibit B - City of Burlington Contract Provisions

Contractor shall not copyright any material originating under the Agreement without prior written approval of the Municipality.

PERSONNEL REQUIREMENTS AND CONDITIONS: A Contractor shall employ only qualified personnel, for responsible authority to supervise the work. The Municipality shall have the right to approve or disapprove key personnel assigned to administer activities related to the Agreement.

Except with the approval of the Municipality, during the life of the Agreement, the Contractor shall not employ:

- (a) Personnel on the payroll of the Municipality who are directly involved with the awarding, administration, monitoring, or performance of the Agreement or any project(s) that are the subjects of the Agreement.
- (b) Any person so involved within one (1) year of termination of employment with the Municipality.

The Contractor warrants that no company or person has been employed or retained, other than a bonafide employee working solely for the Contractor, to solicit or secure this Agreement, and that no company or person has been paid or has an agreement with the Contractor to be paid, other than a bonafide employee working solely for the Contractor, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach or violation of this warranty, the Municipality shall have the right to annul the Agreement, without liability to the Municipality, and to regain all costs incurred by the Municipality in the performance of the Agreement.

The Municipality reserves the right to require removal of any person employed by a Contractor, from work related to the Agreement, for misconduct, incompetence, or negligence, in the opinion of the Municipality in the due and proper performance of its duties, or who neglects or refuses to comply with the requirements of the Agreement.

TRANSFERS, SUBLETTING, ETC: A Contractor shall not assign, sublet, or transfer any interest in the work, covered by an Agreement, without prior written consent of the Municipality and further, if any subcontractor participates in any work involving additional services, the estimated extent and cost of the contemplated work must receive prior written consent of the Municipality. The approval or consent to assign or sublet any portion of the work, shall in no way relieve the Contractor of responsibility for the performance of that portion of the work so transferred. The form of the subcontractor's agreement shall be as developed by the Contractor and approved by the Municipality. The Contractor shall ensure that adequate insurance coverage exists for any operations to be performed by any subcontractor.

The services of the Contractor, to be performed under the Agreement, are personal and shall not be transferred without written authorization of the Municipality and, when applicable, approved by the State of Vermont and FHWA. Any authorized subagreements, exceeding ten thousand

Exhibit B - City of Burlington Contract Provisions

dollars in cost, shall contain all of the same provisions specified for and attached to the original Agreement with the Municipality.

BEGINNING AND COMPLETION OF WORK: The Contractor agrees to begin performance of services, specified in the Agreement, in accordance with the terms of the Agreement, as arranged in negotiations with the Municipality, or within ten (10) days of the date of written notice to begin work by the Municipality, and to complete the contracted services by the completion dates specified in the Agreement.

Upon completion of all services covered under the Agreement and payment of the agreed upon fee, the Agreement with its mutual obligations shall be terminated.

CONTINUING OBLIGATIONS: The Contractor agrees that if, because of death or other occurrences, it becomes impossible to effectively perform its services in compliance with the Agreement, neither the Contractor nor its surviving members shall be relieved of their obligations to complete the Agreement. However, the Municipality may terminate the Agreement if it considers a death or incapacity of any members to be a loss of such magnitude that it would affect the firm's ability to satisfactorily execute the Agreement.

OWNERSHIP OF THE WORK: The Contractor agrees that the ownership of all studies, data sheets, survey notes, subsoil information, drawings, tracings, estimates, specifications, proposals, diagrams, calculations, EDM and other material prepared or collected by the Contractors, hereafter referred to as "instruments of professional service", shall become the property of the Municipality as they are prepared and/or developed during execution of the Agreement.

The Contractor shall surrender to the Municipality upon demand or submit for inspection at any time any instruments of professional service that have been collected, undertaken or completed by the Contractor pursuant to the Agreement. Upon completion of the work, in full, these instruments of professional service will be appropriately endorsed by the Contractor and turned over to the Municipality.

Data and publication rights to any instruments of service produced under this agreement are reserved to the Municipality and shall not be copyrighted by the Contractor at any time without written approval of the Municipality. No publications or publicity of the work, in part or in total, shall be made without the agreement of the Municipality, except that Contractors may in general terms use previously developed instruments of professional service to describe its abilities for a project in promotional materials.

RECORDS RETENTION: The Contractor agrees to retain, in company files, all books, documents, EDM, valuable papers, accounting records, and other evidence, pertaining to costs incurred for work performed under the Agreement, for a period of at least three (3) years after the final "date of acceptance" by the Municipality, unless otherwise notified by the Municipality. The Contractor further agrees that the Municipality, the State of Vermont, FHWA or other authorized representatives of the Federal Government, shall have access to all the above information for the purpose of review and audit during the Agreement period and anytime within

Exhibit B - City of Burlington Contract Provisions

the aforementioned retention period. Copies of all the above referenced information shall be provided to the Municipality if requested.

APPEARANCES:

- (a) Hearings and Conferences. The Contractor shall provide professional services required by the Municipality and necessary for furtherance of any work covered under the Agreement. Professional services shall include appropriate representation at design conferences, public gatherings and hearings, and appearances before any legislative body, commission, board, or court, to justify, explain and defend its contractual services covered under the Agreement.

The Contractor shall perform any liaison that the Municipality deems necessary for the furtherance of the work and participate in conferences with the Municipality, at any reasonable time, concerning interpretation and evaluation of all aspects covered under the Agreement.

The Contractor further agrees to participate in meetings with the Municipality, the State of Vermont, FHWA, and any other interested or affected participant, for the purpose of review or resolution of any conflicts pertaining to the Agreement. The Contractor shall be equitably paid for such services and for any reasonable expenses incurred in relation thereto in accordance with the Contract document.

- (b) Appearance as Witness. If and when required by the Municipality, a Contractor, or an appropriate representative, shall prepare and appear for any litigation concerning any relevant project or related Agreement, on behalf of the Municipality. The Contractor shall be equitably paid for such services and for any reasonable expenses incurred in relation thereto, in accordance with the Contract document.

CHANGES AND AMENDMENTS: No changes or amendments of the Agreement shall be effective unless documented in writing and signed by authorized representatives of the Municipality and the Contractor.

APPENDICES: The Municipality may attach, to these specifications, appendices containing various forms and typical sample sheets for guidance and assistance to the Contractor in the performance of the work. It is understood, however, that such forms and samples may be modified, altered, and augmented from time to time by the Municipality as occasions may require. It is the responsibility of the Contractor to ensure that they have the latest versions applicable to the Agreement.

EXTENSION OF TIME: The Contractor agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by the Contractor for delays or hindrances, from any cause whatsoever, during the progress of any portion of services specified in the Agreement. Such delays or hindrances, if any, may be compensated for by an extension of time for such reasonable period as the Municipality may decide. Time extensions shall be granted by amendment, only for excusable delays, such as delays beyond the control of the Contractor and without the fault or negligence of the Contractor.

Exhibit B - City of Burlington Contract Provisions

SETTLEMENTS OF MISUNDERSTANDINGS: In order to prevent misunderstandings and litigation, it is mutually agreed by all parties that the selectboard and/or city council shall act as referee on all questions arising under the terms of an Agreement and that the decision of this governing body in such cases shall be binding upon both parties.

Agreements subjecting costs to final audit, an administrative review regarding the audit will be sent to the Contractor. Any dispute arising from an administrative decision shall be appealed in writing within thirty (30) days of receipt.

FAILURE TO COMPLY WITH TIME SCHEDULE: It is mutually understood and agreed to, that neither party hereto shall be held responsible for delay in performing the work encompassed herein, when such delay is due to unforeseeable causes such as acts of God, or a public enemy, fire, strikes, floods, or legal acts of public authorities. In the event that any such causes for delay are of such magnitude as to prevent the complete performance of the Agreement within two (2) years of the originally scheduled completion date, either party may by written notice request to amend or terminate the Agreement.

MUNICIPALITY'S OPTION TO TERMINATE: The Agreement may be terminated in accordance with the following provisions:

- (a) Breach of Contract. Administrative remedies - the Municipality reserves the right to terminate a Contract for breach of Contract agreements. Termination for breach of Contract will be without further compensation to the Contractor.
- (b) Termination for Cause. The Municipality reserves the right, upon written notice to the Contractor, to terminate the Agreement, as of a date to be specified by the Municipality, if the Contractor fails to complete the designated work to the satisfaction of the Municipality, within the time schedule agreed upon. The Contractor shall be compensated on the basis of the work performed and accepted by the Municipality at the date of final acceptance of the Agreement.
- (c) Termination for Convenience. In addition to its rights and options to terminate an Agreement as provided herein, the Municipality may, at any time prior to completion of services specified under an Agreement, terminate the Agreement by submitting written notice to a Contractor, within not less than fifteen (15) days prior to the effective date, via certified or registered mail, of its intention to do so. If the termination is for the Municipality's convenience, payment to the Contractor will be made promptly for the amount of any fees earned to the date of the notice of termination, less any payments previously made. However, if a notice of termination is given to a Contractor prior to completion of twenty (20) percent of the estimated services, as set forth in the approved Work Schedule and Progress Report, the Contractor will be reimbursed for that portion of any reasonable and necessary expenses incurred to date of the notice of termination, that are in excess of the amount earned under its approved fee to the date of said termination. Such requests for reimbursement shall be supported with factual data and

Exhibit B - City of Burlington Contract Provisions

shall be subject to the Municipality's approval. The Contractor shall make no claim for additional compensation against the Municipality by reason of such termination.

5. OPERATIONAL STANDARDS

RESPONSIBILITY FOR SUPERVISION: The Contractor shall assume primary responsibility for general supervision of Contractor employees and his/her or their subcontractors for all work performed under the Contract and shall be solely responsible for all procedures, methods of analysis, interpretation, conclusions and contents of work performed under the Agreement.

INDEPENDENCE: The Contractor shall act in an independent capacity and not as officers or employees of the Municipality.

WORK SCHEDULE AND PROGRESS REPORT: Prior to initiating any work, the Contractor shall prepare, and submit to the Municipality, a general work schedule showing how the Contractor will complete the various phases of work in order to meet the completion date in the contract. The Municipality will use this general work schedule to monitor the Contractor.

During the life of the Contract the Contractor will make monthly progress reports indicating the work achieved through the date of the report. The Contractor shall link the monthly progress reports to the general schedule submitted.

The report shall indicate any matters that have or are anticipated to adversely affect progress of the work. The Municipality may require the Contractor to prepare a revised work schedule, in the event that a specific progress achievement falls behind the scheduled progress by more than thirty (30) days.

UTILITIES: Whenever a facility or component of a private, public, or cooperatively-owned utility will be affected by any proposed construction, the Contractor will counsel with the Municipality, plus achieve any necessary contacts and discussions with the affected owners, regarding any requirement necessary for revisions of facilities or existing installations, both above and below ground. Any such installations must be completely and accurately exhibited on any detail sheets or plans. The Contractor shall inform the Municipality, in writing, of any such contacts and the results thereof.

PUBLIC RELATIONS: Whenever it is necessary to perform work in the field, particularly with respect to reconnaissance, the Contractor will endeavor to maintain good relations with the public and any affected property owners. Personnel employed by or representing the Contractor shall conduct themselves with propriety. The Contractor agrees to inform property owners and/or tenants, in a timely manner, if there is need for entering upon private property as an agent of the Municipality, in accordance with VSA Title 19 ' 35 and ' 503, in order to accomplish the work under the Agreement. The Contractor agrees that any work will be done with minimum damage to the land and disturbance to the owner. Upon request of the Contractor, the Municipality shall furnish a letter of introduction to property owners soliciting their cooperation and explaining that the Contractor is acting as an agent of the Municipality.

Exhibit B - City of Burlington Contract Provisions

INSPECTION OF WORK: The Municipality shall, at all times, have access to the Contractor's work for the purposes of inspection, accounting, and auditing, and the Contractor shall provide whatever access is considered necessary to accomplish such inspections. At any time, the Contractor shall permit the Municipality or representative for the Municipality the opportunity to inspect any plans, drawings, estimates, specifications, or other materials prepared or undertaken by the Contractor pursuant to execution of the Agreement.

Conferences, visits to a site, or an inspection of the work, may be held at the request of any involved party or by representatives of the Municipality, the State of Vermont or FHWA.

WRITTEN DELIVERABLES: Written deliverables, presented under terms of the Agreement, shall be on 8 1/2" by 11" paper, consecutively printed on both sides. Reports shall be bound and have a title page that identifies the name and number of the project and publication date. The report shall have a table of contents and each page shall be numbered successively. Draft reports shall be identified as such.

6. PROJECT DEVELOPMENT AND STANDARDS

PLANS RECORDS AND AVAILABLE DATA: The Municipality agrees to make available, at no charge, for the Contractor's use all available data related to the Agreement including any preliminary plans, maps, drawings, photographs, reports, traffic data, calculations, EDM, valuable papers, topographic survey, utility location plats, or any other pertinent public records.



BURLINGTON INTERNATIONAL AIRPORT

MEMO

TO: Burlington International Airport, Board of Commissioners

FROM: Burlington International Airport Staff

DATE: January 17, 2017

SUBJECT: Design and Construction Oversight Services for the Replacing the Airport Beacon

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval for awarding a contract to Stantec Consulting Services, Inc. (Stantec) in the amount of **\$31,385** to provide the design, bidding requirements, and construction oversight of a new airport beacon to replace the existing beacon.

The existing Airport Beacon is located on top of the former airport terminal and current FBO facility. The Beacon was determined to be out of compliance with current standards during the annual Part 139 Inspection in September 2016. The report noted that "The airport beacon was flashing at approximately 12 flashes per minute (FPM). Advisory Circular 150/5345-12F states that airport beacons frequency of flashes must be between 22 and 26 FPM."

This project and contract with Stantec will be funded through the FAA's Airport Improvement Program and will be reimbursed with 90% Federal funds, 6% State funds, and 4% local funds with Passenger Facility Charges.

Stantec was selected to perform this work based on qualifications according to the City's purchasing requirements and FAA requirements. Please find attached a proposed contract for recommendation to Board of Finance and City Council.

Thank you for your continued support.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947
www.btv.aero

**CITY OF BURLINGTON,
BURLINGTON INTERNATIONAL AIRPORT
CONTRACT AGREEMENT
FOR ENGINEERING SERVICES
with
STANTEC CONSULTING SERVICES, INC.**

THIS AGREEMENT is made this _____ day of _____, 2016, by and between the City of Burlington, Burlington International Airport hereinafter referred to as the CITY and Stantec Consulting Services Inc., a Vermont corporation, with its principal place of business at 55 Green Mountain Drive, South Burlington, VT, hereinafter referred to as the CONTRACTOR.

The CITY wishes to employ the CONTRACTOR for Design and Construction Engineering Services required for replacing the Burlington International Airport's existing rotating beacon located on an Airport owned building at 1130 Airport Drive.

WHEREAS the CONTRACTOR is ready, willing, and able to perform the required services;

NOW THEREFORE, in consideration of these premises and the mutual covenants herein set forth, it is agreed by the parties hereto as follows:

1. SCOPE OF WORK

The CONTRACTOR shall provide services necessary to ensure the successful rotating beacon replacement as set forth in ATTACHMENT B – Professional Engineering Services Scope of Work and Cost Proposal for Replacing Airport Rotating Beacon dated December 7, 2016, which is incorporated herein and made a part of this Agreement.

Should it become necessary for the CONTRACTOR to procure sub-contractor services, this selection will be subject to approval of the CITY. It is expected that any solicitations by the CONTRACTOR will include reference to the CITY'S Livable Wage Ordinance.

2. BEGINNING OF WORK AND TERMINATION

This Agreement shall be effective December 1, 2016 and shall be completed on or before July 31, 2017.

3. AGREEMENT FEE

A. General. The CITY agrees to pay the CONTRACTOR and the CONTRACTOR agrees to accept as full compensation for performance of all services and expenses (including those of sub-contractors) encompassed under this Agreement, payment submitted to the CITY in CONTRACTOR’S Cost Proposal dated December 7, 2016.

B. Maximum Limiting Amount. The total amount to be paid to the CONTRACTOR for all services shall not exceed an amount of \$31,385 without duly authorized written approval.

4. ATTACHMENTS

The following attachments are adopted by reference and made part of this Agreement:

ATTACHMENT A - CITY/CONTRACTOR Contract Provisions

ATTACHMENT B - CONTRACTOR’S Professional Engineering Services Scope of Work and Cost Proposal for Replacing Airport Rotating Beacon dated December 7, 2016.

ATTACHMENT C – Required Contract Provisions for Airport Improvement Program (AIP)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

Stantec Consulting Services Inc.
55 Green Mountain Drive
South Burlington, VT 05403

By: _____
Gregory A. Edwards, Senior Principal

Date: _____

City of Burlington, Vermont

By: _____
Gene Richards, III, Director of Aviation

Date: _____

ATTACHMENT A - CITY/CONTRACTOR Contract Provisions

1. INDEMNIFICATION

The CONTRACTOR will act in an independent capacity and not as officers or employees of the Municipality. The Contractor shall indemnify, defend and hold harmless the Municipality and its officers and employees from liability and any claims, suits, expenses, losses, judgments, and damages arising as a result of the CONTRACTOR's negligent acts and/or omissions in the performance of this contract. The Municipality is responsible for its own actions. The CONTRACTOR is not obligated to defend or indemnify the Municipality or its officers, agents and employees for any liability of the Municipality, its officers, agents and employees attributable to its, or their own, negligent acts, errors or omissions.

In the event the Municipality, its officers, agents or employees are notified of any claims asserted against it or them to which this Indemnification clause may apply, the Municipality or its officers, agents and employees shall immediately thereafter notify the CONTRACTOR in writing that a claim to which the Indemnification Agreement may apply has been filed.

2. INSURANCE

GENERAL: Prior to beginning any work the CONTRACTOR shall obtain the following insurance coverage from an insurance company registered and licensed to do business in the State of Vermont and having an A.M. Best insurance rating of at least A-, financial size category VII or greater (www.ambest.com). The certificate of insurance coverage shall be documented on forms acceptable to the Municipality. Evidence of compliance with minimum limits and coverages, evidenced by a certificate of insurance showing policies and carriers that are acceptable to the Municipality, must be received prior to the effective date of the Agreement. The insurance policies shall provide that insurance coverage cannot be canceled or revised without thirty (30) days prior notice to the Municipality. In the event that this Contract extends to greater than one year, evidence of continuing coverage must be submitted to the Municipality on an annual basis. Certified copies of any insurance policies may be required. Each policy (with the exception of workers compensation and professional liability) shall name the CITY as an additional insured for the possible liabilities resulting from the CONTRACTOR's actions or omissions. It is agreed that the liability insurance furnished by the CONTRACTOR is primary and non-contributory for all the additional insureds.

The CONTRACTOR is responsible to verify and confirm in writing to the CITY that:

- (a) All subcontractors, agents or workers meet the minimum coverages and limits plus maintain current certificates of coverage for all subcontractors, agents or workers. SUBCONTRACTORS must comply with the same insurance requirements as the CONTRACTOR.
- (b) All coverages shall include adequate protection for activities involving hazardous materials.

- (c) All work activities related to the agreement shall meet minimum coverages and limits.

No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the CONTRACTOR for the CONTRACTOR's operations. These are solely minimums that have been developed and must be met to protect the interests of the Municipality.

GENERAL LIABILITY AND PROPERTY DAMAGE:

- (a) With respect to all operations performed by the CONTRACTOR, subcontractors, agents or workers, it is the CONTRACTOR's responsibility to insure that general liability insurance coverage provides all major divisions of coverage including, but not limited to:

1. Premises Operations
2. Independent Contractors' Protective
3. Products and Completed Operations
4. Personal Injury Liability
5. Contractual Liability
6. Broad Form Property Damage
7. Medical Expenses
8. Collapse, Underground and Explosion Hazards

- (b) The policy shall be on an occurrence form with limits not less than:

1. General Aggregate	\$2,000,000
2. Products-Completed/Operations Aggregate	\$2,000,000
3. Personal & Advertising Injury	\$1,000,000
4. Each Occurrence	\$1,000,000
5. Fire Damage (Any one fire)	\$ 250,000
6. Med. Expense (Any one	\$ 5,000

WORKERS' COMPENSATION: With respect to all operations performed, the CONTRACTOR shall carry workers compensation insurance in accordance with the laws of the State of Vermont and ensure that all subcontractors and subcontractors carry the same workers' compensation insurance for all work performed by them under this contract. Minimum limits for Employer's Liability:

- (a) Bodily Injury by Accident: \$500,000 each accident
 (b) Bodily Injury by Disease: \$500,000 policy limit, \$500,000 each employee

PROFESSIONAL LIABILITY INSURANCE:

- (a) General. The CONTRACTOR shall carry architects/engineers professional liability insurance covering errors and omissions made during their performance of contractile duties with the following minimum limits:
 \$3,000,000 - Annual Aggregate

\$1,000,000 - Per Claim

- (b) Deductibles. The CONTRACTOR is responsible for any and all deductibles.
- (c) Coverage. Prior to performing any work, the CONTRACTOR agrees to provide evidence of E&O insurance coverage defined under this Section. In addition, the CONTRACTOR agrees to attempt to maintain continuous professional liability coverage for the period of the agreement and whenever applicable any construction work related to this agreement, and for a period of five years following substantial completion, if such coverage is reasonably available at commercially affordable premiums.

VALUABLE PAPERS INSURANCE: The CONTRACTOR shall carry valuable papers insurance in a form and amount sufficient to ensure the restoration or replacement of any plans, drawings, field notes, or other data relating to the work, whether supplied by the Municipality or developed by the CONTRACTOR, subcontractor, worker or agent, in the event of loss, impairment or destruction of these documents. Such coverage shall remain in force until the final plans, and all related materials, have been delivered by the CONTRACTOR to, and accepted by, the Municipality.

The policy shall provide coverage on an each occurrence basis with limits not less than:

Valuable Papers	\$10,000
Electronic Data Media	\$10,000

AUTOMOBILE LIABILITY: The CONTRACTOR shall carry commercial automobile liability insurance covering all motor vehicles, including owned, non-owned and hired, used in connection with the agreement. Each policy shall provide coverage with a limit not less than: \$1,000,000 - Combined Single Limit for each occurrence.

UMBRELLA LIABILITY:
 \$1,000,000 Each Event Limit
 \$1,000,000 General Aggregate Limit

3. COMPLIANCE WITH LAWS

GENERAL COMPLIANCE WITH LAWS: The CONTRACTOR shall comply with all applicable Federal, State and local laws, including but not limited to the Burlington Livable Wage Ordinance and the Non-outsourcing Ordinance and shall provide the required certifications attesting to compliance with these ordinances (see attached ordinances and certifications).

Provisions of the Agreement shall be interpreted and implemented in a manner consistent with each other and using procedures that will achieve the intent of both parties. If, for any reason, a provision in the Agreement is unenforceable or invalid, that provision shall be deemed severed from the Agreement, and the remaining provisions shall be carried out with the same force and effect as if the severed provisions had never been a part of the Agreement.

ENVIRONMENTAL REGULATIONS: Any Contract in excess of one hundred thousand dollars shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. ' 1857(h)), Section 508 of the Clean Air Act (33 U.S.C. ' 1368), Executive Order 11738, and Environmental Protection Municipality regulation (40 CFR Part 15), that prohibit the use, under non-exempt Federal Contracts, grants or loans, of facilities included on the EPA list of Violating Facilities. The provisions require reporting of violations to the grantor, Municipality and to the USEPA Assistant Administrator for Enforcement (EN-329).

CIVIL RIGHTS and EQUAL EMPLOYMENT OPPORTUNITY: During performance of the Agreement, the CONTRACTOR will not discriminate against any employee or applicant for employment because of race, age, color, religion, sex, national origin, physical disability or veteran status.

The CONTRACTOR shall comply with the applicable provisions of Title VI of the Civil Rights Act of 1964 as amended, Executive Order 11246 as amended by Executive Order 11375 and as supplemented by the Department of Labor regulations (41 CFR Part 60). The CONTRACTOR shall also comply with the rules, regulations and relevant orders of the Secretary of Labor, Nondiscrimination regulations 49 CFR ' 21 through Appendix C, and Regulations under 23 CFR ' 710.405 (b). Accordingly, all subcontracts shall include reference to the above. The CONTRACTOR shall comply with all the requirements of Title 21, VSA, Chapter 5, Subchapter 6 and 7, relating to fair employment practices to the extent applicable. A similar provision shall be included in any and all subcontracts.

DEBARMENT CERTIFICATION: When signing a Contract in excess of twenty five thousand dollars, the CONTRACTOR certifies under the penalty of perjury as directed by Federal laws (48 CFR 52.209-5), that, except as noted in the Agreement, the CONTRACTOR or any person associated therewith in the capacity of owner, partner, director, officer, principal investigator, project director, manager, auditor, or any position involving the administration of federal funds:

- (a) is not currently under suspension, debarment, voluntarily exclusion or determination of ineligibility by any Federal agency;
- (b) has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past three (3) years;
- (c) does not have a proposed debarment pending; and
- (d) has not been indicted, convicted, or had a civil judgment rendered against him/her by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

Exceptions will not necessarily result in denial of the Contract but will be considered in determining the CONTRACTOR's responsibility. The Agreement shall indicate any exception

and identify to whom or to what Municipality it applies and dates of action. Providing false information may result in criminal prosecution or administrative sanctions.

Exceptions shall be noted in the Contract: _____

LOBBYING: For any Agreement exceeding one hundred thousand dollars, the CONTRACTOR certifies by signing the Agreement, that to the best of their knowledge and belief on behalf of their signature:

- (a) No Federal appropriated funds have been paid or will be paid by or to any person influencing or attempting to influence an officer or employee of a government agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, renewal, amendment or modification of any Federal Contract grant, loan or cooperative Agreement.
- (b) They will complete and submit, in accordance with its instructions, Standard Form-LLL "Disclosure Form to Report Lobbying", if any funds, other than Federal appropriated funds, have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of a government agency or a Member of Congress in connection with the Federal Agreement, grant loan, or cooperative Agreement.
- (c) They shall require that the language of this Certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact, upon which reliance was placed when the Agreement was made or entered into. Submission of this certification is a prerequisite for making or entering into the Agreement, imposed by Section 1352, Title 31, U.S.C.

Section 1352 of Title 31, U.S.C., provides, in part, that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any government agency, Member of Congress, officer or employee of Congress, or employee of a Member of Congress, in the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative Agreement.

CHILD SUPPORT PAYMENTS: By signing the Contract the CONTRACTOR certifies, as of the date of signing the Agreement, that they are (a) not under an obligation to pay child support; or (b) is under such an obligation and is in good standing with respect to that obligation; or (c) has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan. If the CONTRACTOR is a sole proprietorship, the

CONTRACTOR's statement applies only to the proprietor. If the CONTRACTOR is a partnership, the CONTRACTOR's statement applies to all general partners with a permanent residence in Vermont. If the CONTRACTOR is a corporation, this provision does not apply.

TAX REQUIREMENTS: By signing the Agreement, the CONTRACTOR certifies, as required by law under 32 VSA, Section 3113, that under the pains and penalties of perjury, he/she is in good standing with respect to payment, or in full compliance with a plan to pay, any and all taxes due the State of Vermont as of the date of signature on the Agreement.

ENERGY CONSERVATION: The CONTRACTOR shall recognize mandatory standards and policies relating to energy efficiency that are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act P.L. 94-165.

4. CONTRACTUAL AGREEMENTS

REGISTRATION: The CONTRACTOR agrees to be registered with the Vermont Secretary of State's office as a corporation doing business in the State of Vermont at all times this contract is effective. This registration must be complete prior to contract execution.

ADMINISTRATION REQUIREMENTS: By signing the Agreement the CONTRACTOR agrees to comply with the following provisions and certifies that he/she or they are in compliance with the provisions of 49 CFR ' 18.36 Procurement (i) Contract Provisions with principal reference to the following:

- (a) Copeland "Anti-Kickback" Act. For any Federal-Aid Contracts or subcontracts for construction or repair, the CONTRACTOR agrees to comply with the Copeland "Anti-Kickback" Act, 18 U.S.C. ' 874, as supplemented by Department of Labor Regulations, 29 CFR ' 3.
- (b) Davis-Bacon Act. For any Federal-Aid construction contracts in excess of \$2,000, the CONTRACTOR agrees to comply with the Davis-Bacon Act 40 U.S.C. " 276a to a-7, as supplemented by Department of Labor Regulations, 29 CFR ' 5.
- (c) Work Hours. For any Federal-Aid construction contracts in excess of \$ 2,000, or in excess of \$ 2,500 for other contracts involving employment of mechanics or laborers, the CONTRACTOR agrees to comply with the Contract Working Hours and Safety Standards Act, 40 U.S.C. " 327-330,as annexed by Department of Labor Regulations, 29 CFR 5.
- (d) Proprietary Rights. The parties under the Agreement hereby mutually agree that, if patentable discoveries or inventions should result from work performed under the Agreement, all rights accruing from such discoveries or inventions shall be the sole property of the CONTRACTOR. The CONTRACTOR, however, agrees to and does hereby grant to the Municipality, the State of Vermont and the United States Government an irrevocable, nonexclusive, non-transferable, and royalty-free license to practice each invention in the manufacture, use, and disposition, according to law, of any article or

material or use of method that may be developed, as a part of the work under the Agreement.

- (e) Publications. All data, EDM, valuable papers and documents produced under the terms of the Agreement, shall become the property of the Municipality. The CONTRACTOR agrees to allow access to all data, EDM, valuable papers and documents at all times. The CONTRACTOR shall not copyright any material originating under the Agreement without prior written approval of the Municipality.

PERSONNEL REQUIREMENTS AND CONDITIONS: A CONTRACTOR shall employ only qualified personnel, for responsible authority to supervise the work. The Municipality shall have the right to approve or disapprove key personnel assigned to administer activities related to the Agreement.

Except with the approval of the Municipality, during the life of the Agreement, the CONTRACTOR shall not employ:

- (a) Personnel on the payroll of the Municipality who are directly involved with the awarding, administration, monitoring, or performance of the Agreement or any project(s) that are the subjects of the Agreement.
- (b) Any person so involved within one (1) year of termination of employment with the Municipality.

The CONTRACTOR warrants that no company or person has been employed or retained, other than a bonafide employee working solely for the CONTRACTOR, to solicit or secure this Agreement, and that no company or person has been paid or has an agreement with the CONTRACTOR to be paid, other than a bonafide employee working solely for the CONTRACTOR, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of the Agreement. For breach or violation of this warranty, the Municipality shall have the right to annul the Agreement, without liability to the Municipality, and to regain all costs incurred by the Municipality in the performance of the Agreement.

The Municipality reserves the right to require removal of any person employed by a CONTRACTOR, from work related to the Agreement, for misconduct, incompetence, or negligence, in the opinion of the Municipality in the due and proper performance of its duties, or who neglects or refuses to comply with the requirements of the Agreement.

TRANSFERS, SUBLETTING, ETC: A CONTRACTOR shall not assign, sublet, or transfer any interest in the work, covered by an Agreement, without prior written consent of the Municipality and further, if any SUBCONTRACTOR participates in any work involving additional services, the estimated extent and cost of the contemplated work must receive prior written consent of the Municipality. The approval or consent to assign or sublet any portion of the work, shall in no way relieve the CONTRACTOR of responsibility for the performance of that portion of the work so transferred. The form of the SUBCONTRACTOR's agreement shall

be as developed by the CONTRACTOR and approved by the Municipality. The CONTRACTOR shall ensure that adequate insurance coverage exists for any operations to be performed by any SUBCONTRACTOR.

The services of the CONTRACTOR, to be performed under the Agreement, are personal and shall not be transferred without written authorization of the Municipality and, when applicable, approved by the State of Vermont and FHWA. Any authorized subagreements, exceeding ten thousand dollars in cost, shall contain all of the same provisions specified for and attached to the original Agreement with the Municipality.

BEGINNING AND COMPLETION OF WORK: The CONTRACTOR agrees to begin performance of services, specified in the Agreement, in accordance with the terms of the Agreement, as arranged in negotiations with the Municipality, or within ten (10) days of the date of written notice to begin work by the Municipality, and to complete the contracted services by the completion dates specified in the Agreement.

Upon completion of all services covered under the Agreement and payment of the agreed upon fee, the Agreement with its mutual obligations shall be terminated.

CONTINUING OBLIGATIONS: The CONTRACTOR agrees that if, because of death or other occurrences, it becomes impossible to effectively perform its services in compliance with the Agreement, neither the CONTRACTOR nor its surviving members shall be relieved of their obligations to complete the Agreement. However, the Municipality may terminate the Agreement if it considers a death or incapacity of any members to be a loss of such magnitude that it would affect the firm's ability to satisfactorily execute the Agreement.

OWNERSHIP OF THE WORK: The CONTRACTOR agrees that the ownership of all studies, data sheets, survey notes, subsoil information, drawings, tracings, estimates, specifications, proposals, diagrams, calculations, EDM and other material prepared or collected by the CONTRACTORS, hereafter referred to as "instruments of professional service", shall become the property of the Municipality as they are prepared and/or developed during execution of the Agreement and upon full payment; provided CONTRACTOR may reuse on future work any of its standard specifications, details or designs.

The CONTRACTOR shall surrender to the Municipality upon demand or submit for inspection at any time any instruments of professional service that have been collected, undertaken or completed by the CONTRACTOR pursuant to the Agreement. Upon completion of the work, in full, these instruments of professional service will be appropriately endorsed by the CONTRACTOR and turned over to the Municipality.

Data and publication rights to any instruments of service produced under this agreement are reserved to the Municipality and shall not be copyrighted by the CONTRACTOR at any time without written approval of the Municipality. No publications or publicity of the work, in part or in total, shall be made without the agreement of the Municipality, except that CONTRACTORS may in general terms use previously developed instruments of professional service to describe its abilities for a project in promotional materials.

RECORDS RETENTION: The CONTRACTOR agrees to retain, in company files, all books, documents, EDM, valuable papers, accounting records, and other evidence, pertaining to costs incurred for work performed under the Agreement, for a period of at least three (3) years after the final "date of acceptance" by the Municipality, unless otherwise notified by the Municipality. The CONTRACTOR further agrees that the Municipality, the State of Vermont, FHWA or other authorized representatives of the Federal Government, shall have access to all the above information for the purpose of review and audit during the Agreement period and anytime within the aforementioned retention period. Copies of all the above referenced information shall be provided to the Municipality if requested.

APPEARANCES:

- (a) Hearings and Conferences. The CONTRACTOR shall provide professional services required by the Municipality and necessary for furtherance of any work covered under the Agreement. Professional services shall include appropriate representation at design conferences, public gatherings and hearings, and appearances before any legislative body, commission, board, or court, to justify, explain and defend its contractual services covered under the Agreement.

The CONTRACTOR shall perform any liaison that the Municipality deems necessary for the furtherance of the work and participate in conferences with the Municipality, at any reasonable time, concerning interpretation and evaluation of all aspects covered under the Agreement.

The CONTRACTOR further agrees to participate in meetings with the Municipality, the State of Vermont, FHWA, and any other interested or affected participant, for the purpose of review or resolution of any conflicts pertaining to the Agreement. The CONTRACTOR shall be equitably paid for such services and for any reasonable expenses incurred in relation thereto in accordance with the Contract document.

- (b) Appearance as Witness. If and when required by the Municipality, a CONTRACTOR, or an appropriate representative, shall prepare and appear for any litigation concerning any relevant project or related Agreement, on behalf of the Municipality. The CONTRACTOR shall be equitably paid for such services and for any reasonable expenses incurred in relation thereto, in accordance with the Contract document.

CHANGES AND AMENDMENTS: No changes or amendments of the Agreement shall be effective unless documented in writing and signed by authorized representatives of the Municipality and the CONTRACTOR.

APPENDICES: The Municipality may attach, to these specifications, appendices containing various forms and typical sample sheets for guidance and assistance to the CONTRACTOR in the performance of the work. It is understood, however, that such forms and samples may be modified, altered, and augmented from time to time by the Municipality as occasions may require. It is the responsibility of the CONTRACTOR to ensure that they have the latest versions applicable to the Agreement.

EXTENSION OF TIME: The CONTRACTOR agrees to prosecute the work continuously and diligently and no charges or claims for damages shall be made by the CONTRACTOR for delays or hindrances, from any cause whatsoever, during the progress of any portion of services specified in the Agreement. Such delays or hindrances, if any, may be compensated for by an extension of time for such reasonable period as the Municipality may decide. Time extensions shall be granted by amendment, only for excusable delays, such as delays beyond the control of the CONTRACTOR and without the fault or negligence of the CONTRACTOR.

SETTLEMENTS OF MISUNDERSTANDINGS: In order to prevent misunderstandings and litigation, it is mutually agreed by all parties that the selectboard and/or city council shall act as referee on all questions arising under the terms of an Agreement and that the decision of this governing body in such cases shall be binding upon both parties; provided, the parties are not waiving rights to seek further recourse as deemed necessary through the courts.

Agreements subjecting costs to final audit, an administrative review regarding the audit will be sent to the CONTRACTOR. Any dispute arising from an administrative decision shall be appealed in writing within thirty (30) days of receipt.

FAILURE TO COMPLY WITH TIME SCHEDULE: It is mutually understood and agreed to, that neither party hereto shall be held responsible for delay in performing the work encompassed herein, when such delay is due to unforeseeable causes such as acts of God, or a public enemy, fire, strikes, floods, or legal acts of public authorities. In the event that any such causes for delay are of such magnitude as to prevent the complete performance of the Agreement within two (2) years of the originally scheduled completion date, either party may by written notice request to amend or terminate the Agreement.

MUNICIPALITY'S OPTION TO TERMINATE: The Agreement may be terminated in accordance with the following provisions:

- (a) Breach of Contract. Administrative remedies - the Municipality reserves the right to terminate a Contract for breach of Contract agreements. Termination for breach of Contract will be without further compensation to the CONTRACTOR.
- (b) Termination for Cause. The Municipality reserves the right, upon written notice to the CONTRACTOR, to terminate the Agreement, as of a date to be specified by the Municipality, if the CONTRACTOR fails to complete the designated work to the satisfaction of the Municipality, within the time schedule agreed upon. The CONTRACTOR shall be compensated on the basis of the work performed and accepted by the Municipality at the date of final acceptance of the Agreement.
- (c) Termination for Convenience. In addition to its rights and options to terminate an Agreement as provided herein, the Municipality may, at any time prior to completion of services specified under an Agreement, terminate the Agreement by submitting written notice to a CONTRACTOR, within not less than fifteen (15) days prior to the effective

date, via certified or registered mail, of its intention to do so. If the termination is for the Municipality's convenience, payment to the CONTRACTOR will be made promptly for the amount of any fees earned to the date of the notice of termination, less any payments previously made. However, if a notice of termination is given to a CONTRACTOR prior to completion of twenty (20) percent of the estimated services, as set forth in the approved Work Schedule and Progress Report, the CONTRACTOR will be reimbursed for that portion of any reasonable and necessary expenses incurred to date of the notice of termination, that are in excess of the amount earned under its approved fee to the date of said termination. Such requests for reimbursement shall be supported with factual data and shall be subject to the Municipality's approval. The CONTRACTOR shall make no claim for additional compensation against the Municipality by reason of such termination.

5. OPERATIONAL STANDARDS

RESPONSIBILITY FOR SUPERVISION: The CONTRACTOR shall assume primary responsibility for general supervision of CONTRACTOR employees and his/her or their SUBCONTRACTORS for all work performed under the Contract and shall be solely responsible for all procedures, methods of analysis, interpretation, conclusions and contents of work performed under the Agreement.

INDEPENDENCE: The CONTRACTOR shall act in an independent capacity and not as officers or employees of the Municipality.

WORK SCHEDULE AND PROGRESS REPORT: Prior to initiating any work, the CONTRACTOR shall prepare, and submit to the Municipality, a general work schedule showing how the CONTRACTOR will complete the various phases of work in order to meet the completion date in the contract. The Municipality will use this general work schedule to monitor the CONTRACTOR.

During the life of the Contract the CONTRACTOR will make monthly progress reports indicating the work achieved through the date of the report. The CONTRACTOR shall link the monthly progress reports to the general schedule submitted.

The report shall indicate any matters that have or are anticipated to adversely affect progress of the work. The Municipality may require the CONTRACTOR to prepare a revised work schedule, in the event that a specific progress achievement falls behind the scheduled progress by more than thirty (30) days.

UTILITIES: Whenever a facility or component of a private, public, or cooperatively-owned utility will be affected by any proposed construction, the CONTRACTOR will counsel with the Municipality, plus achieve any necessary contacts and discussions with the affected owners, regarding any requirement necessary for revisions of facilities or existing installations, both above and below ground. Any such installations must be completely and accurately exhibited on any detail sheets or plans. The CONTRACTOR shall inform the Municipality, in writing, of any such contacts and the results thereof.

PUBLIC RELATIONS: Whenever it is necessary to perform work in the field, particularly with respect to reconnaissance, the CONTRACTOR will endeavor to maintain good relations with the public and any affected property owners. Personnel employed by or representing the CONTRACTOR shall conduct themselves with propriety. The CONTRACTOR agrees to inform property owners and/or tenants, in a timely manner, if there is need for entering upon private property as an agent of the Municipality, in accordance with VSA Title 19 ' 35 and ' 503, in order to accomplish the work under the Agreement. The CONTRACTOR agrees that any work will be done with minimum damage to the land and disturbance to the owner. Upon request of the CONTRACTOR, the Municipality shall furnish a letter of introduction to property owners soliciting their cooperation and explaining that the CONTRACTOR is acting as an agent of the Municipality.

INSPECTION OF WORK: The Municipality shall, at all times, have access to the CONTRACTOR's work for the purposes of inspection, accounting, and auditing, and the CONTRACTOR shall provide whatever access is considered necessary to accomplish such inspections. At any time, the CONTRACTOR shall permit the Municipality or representative for the Municipality the opportunity to inspect any plans, drawings, estimates, specifications, or other materials prepared or undertaken by the CONTRACTOR pursuant to execution of the Agreement.

Conferences, visits to a site, or an inspection of the work, may be held at the request of any involved party or by representatives of the Municipality, the State of Vermont or FHWA.

WRITTEN DELIVERABLES: Written deliverables, presented under terms of the Agreement, shall be on 8 1/2" by 11" paper, consecutively printed on both sides. Reports shall be bound and have a title page that identifies the name and number of the project and publication date. The report shall have a table of contents and each page shall be numbered successively. Draft reports shall be identified as such.

6. PROJECT DEVELOPMENT AND STANDARDS

PLANS RECORDS AND AVAILABLE DATA: The Municipality agrees to make available, at no charge, for the CONTRACTOR's use all available data related to the Agreement including any preliminary plans, maps, drawings, photographs, reports, traffic data, calculations, EDM, valuable papers, topographic survey, utility location plats, or any other pertinent public records.

COMPENSATION: Payment is due to CONTRACTOR upon receipt of invoice. Failure to make any payment when due is a material breach of this AGREEMENT and will entitle CONTRACTOR, at its option, to suspend or terminate this AGREEMENT and the provision of the SERVICES. Interest will accrue on accounts overdue by 30 days at the lesser of 1.5 percent per month (18 percent per annum) or the maximum legal rate of interest.

PROFESSIONAL RESPONSIBILITY: In performing the SERVICES, CONTRACTOR will provide and exercise the standard of care, skill and diligence required by customarily accepted professional practices normally provided in the performance of the SERVICES at the time and the location in which the SERVICES were performed.

FIELD SERVICES: CONTRACTOR shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with work on the PROJECT, and shall not be responsible for any CONTRACTOR's failure to carry out the work in accordance with the contract documents. CONTRACTOR shall not be responsible for the acts or omissions of any CONTRACTOR, SUBCONTRACTOR, any of their agents or employees, or any other persons performing any of the work in connection with the PROJECT. CONTRACTOR shall not be the prime CONTRACTOR or similar under any occupational health and safety legislation.

LIMITATION OF LIABILITY: The CITY releases CONTRACTOR from any liability and agrees to defend, indemnify and hold CONTRACTOR harmless from any and all claims, damages, losses, and/or expenses, direct and indirect, or consequential damages, including but not limited to attorney's fees and charges and court and arbitration costs, arising out of, or claimed to arise out of, the performance of the SERVICES, excepting liability arising from the negligence of CONTRACTOR. It is further agreed that the total amount of all claims the CITY may have against CONTRACTOR under this AGREEMENT, including but not limited to claims for negligence, negligent misrepresentation and/or breach of contract, shall be strictly limited to the insurance limits required herein. As the CLIENT's sole and exclusive remedy under this AGREEMENT any claim, demand or suit shall be directed and/or asserted only against CONTRACTOR and not against any of CONTRACTOR's employees, officers or directors.

WAIVER OF CONSEQUENTIAL DAMAGES: CITY or CONTRACTOR's liability with respect to any claims arising out of this AGREEMENT shall be limited to direct damages arising out of the SERVICES and neither party shall bear any liability whatsoever for any consequential loss, injury or damage incurred by the other, including but not limited to claims for loss of use, loss of profits and/or loss of markets.

OPINIONS OF PROBABLE CONSTRUCTION COST

CONTRACTOR's opinions of probable construction costs, otherwise known as cost estimates, engineer's estimates, or construction cost estimates, provided for herein are to be made on the basis of the CONTRACTOR's experience and qualifications and represent the CONTRACTOR's best judgment as an experienced and qualified professional generally familiar with the industry. However, since CONTRACTOR has no control over the cost of labor, materials, equipment, or services furnished by others, or over the construction CONTRACTOR's methods of determining prices, or over competitive bidding, or market conditions, CONTRACTOR cannot and does not guarantee that proposal, bids, or actual construction costs will not vary from opinions of probable construction cost prepared by the CONTRACTOR.

**ATTACHMENT B - Professional Engineering Services Scope of Work and Cost Proposal
for Replacing Airport Rotating Beacon at the Burlington International Airport
FAA AIP Project No. 3-50-0005-1____-2017**

SCOPE OF SERVICES

PROJECT UNDERSTANDING

The FAA has informed the Burlington International Airport (BTV) that the existing rotating beacon located on a truss tower atop a building at 1130 Airport Drive is not within regulatory compliance (reference *Beacon Deficiencies per EIR#2016NE800017, Discrepancy 3- 139.311 (d) Lighting maintenance (airport beacon)*). To correct this deficiency, STANTEC understands that BTV intends to remove the existing rotating beacon and replace it with a new beacon fixture, motor, and appurtenances. The new beacon control will remain the same as existing. Additional work associated with this projects includes removing and disposing of several trees located in the adjacent cemetery. BTV has committed to the FAA that the beacon will be replaced and the tree clearing completed by May 15, 2017.

STANTEC assumes the following:

1. BTV has (or will) complete the FAA 7460 permit process.
2. No Environmental Permitting will be required for this project.
3. Contractors will access the project from land side and will not require entering the Airport Operations Area (AOA). Consequently, a Construction Safety and Phasing Plan (CSPP) will not be required for this project.

ARTICLE A – DESIGN

Stantec Consulting Services, Inc (STANTEC) shall provide the following services:

1. Visit the project site and review the current wiring and power supply to the beacon. Gather data on the existing beacon tower, the beacon attachment to the tower and power supply.
2. Conduct a visual inspection by a structural engineer and report on the condition of the existing tower. The new beacon will be smaller and lighter than the existing beacon and will therefore have less load on the tower. STANTEC will assume that if the tower is still in good physical condition then it is structurally adequate to support the new beacon. If the existing conditions assessment finds that the tower is not in good condition, then STANTEC can provide further structural recommendations through amendment of our agreement.
3. Prepare preliminary (60 percent) construction plans for the new beacon installation. Plans will be at a scale sufficient to show all pertinent features. Plans will also include the removal of the trees in the adjacent cemetery. The airport is to identify the trees to be removed.
4. Prepare final construction plans and specifications for the new beacon installation.

Drawing and specification shall have quality control reviews by a senior principal.

ARTICLE B – GENERAL ADMINISTRATION

STANTEC shall provide the following services:

1. Prepare a draft and final project scope and fee for review by BTV, and FAA.
2. Coordinate, chair, and document coordination meetings with BTV, and FAA.
3. Coordinate with OWNER, other consultants involved with the project and the FAA. Arrange and attend two (2) project coordination/informational meetings with BTV throughout the course of the project.

ARTICLE C - BIDDING AND ARRANGEMENTS FOR CONSTRUCTION

STANTEC shall provide the following services:

1. Prepare electronic versions of bid documents for distribution to potential bidders.
2. STANTEC will host the bid documents on a dedicated password protected ftp site. As part of this process, we will:
 - a. Include in the bid advertisement, directions for Contractors to contact STANTEC for access to the ftp website.
 - b. Maintain the bidders list for the project and provide BTV with an updated copy of this list daily during the bidding period (unless there have been no changes).
3. Bid Advertisement tasks:
 - a. Prepare the bid advertisement and deliver it to BTV via email for publication in accordance with BTV's bidding procedures.
 - b. Deliver the bid advertisement to plan viewing rooms for publication to maximize the project exposure and generate widespread contractor interest in the project.
 - c. Communicate with the plan viewing rooms and similar industry entities to provide technical information for their publications.
4. Respond to bidder questions and issue as many addenda if required (assumed total of 2 addenda).
5. Pre-bid Conference tasks:
 - a. Coordinate, prepare for, and chair the Pre-bid Conference.
 - b. Conduct a site walk of the project areas to allow the contractors and subcontractors to observe the existing conditions and to ask questions regarding their observations.
 - c. Prepare written responses to questions that require additional information not available at the time of the pre-bid conferences.
 - d. Distribute the responses to the bid document recipients.

6. Bid Analysis tasks:
 - a. Conduct a detailed analysis of the contractors' bids for completeness and accuracy and note omissions and discrepancies.
 - b. Compile a bid summary comprised of the results of the bids for distribution to the bid document recipients.
 - c. Write a letter to BTV recommending the award of the construction contract to the apparent low responsive and responsible bidder based on the bid analyses.
 - d. With the concurrence of BTV and the FAA, STANTEC will issue a written notification to the successful bidder advising the bidder of the bid results.
 - e. Disseminate the bid results to the plan viewing rooms.

ARTICLE D - CONSTRUCTION ADMINISTRATION

STANTEC shall provide the following services:

1. Coordinate and conduct a pre-construction conference; prepare and distribute minutes of the meeting.
2. Provide general construction administration including project management; provide supervision, management, and support to the Resident Project Representative(s) (RPR's) regarding construction related activities; provide responses to Contractor's Request For Information (RFI's); provide OWNER and FAA coordination; develop a Construction Management Plan; provide Quality Assurance coordination including site visits to the project by the project manager or senior civil, structural, and electrical engineering staff. Process Contractor payment requisitions on a monthly basis assuming four (4) pay requisitions.
3. Review shop drawings submittals furnished by the Contractor for compliance with the contract documents.
4. Coordinate and attend final inspection and prepare report of results (punch list) for distribution to the FAA, OWNER and Contractor including follow-up.
5. Project closeout including preparation of record drawings and distribution of prints of these to BTV and the FAA. An electronic copy of record drawings in AutoCAD and PDF formats will also be provided to BTV. It is assumed that field work will be completed by May 15, 2017 and project closeout completed by July 31, 2017.

ARTICLE E - TECHNICAL OBSERVATION OF CONSTRUCTION

STANTEC shall provide the following services:

1. Technical Field Observation of Construction - Provide qualified Resident Project Representatives (RPR's) approved by BTV and the FAA for technical observation of construction to assure that construction is carried out in reasonable conformity with the contract drawings and specifications to the extent that is the customary practice of

professional engineers. The Resident Project Representatives will also conduct wage rate surveys to confirm compliance within the current established minimums listed within the Contract Documents.

The period for substantial completion of the construction contract is estimated to be 14 calendar days and it is assumed that the RPR will need to on site approximately 4 hours per day.

ARTICLE F – COMPENSATION

General:

STANTEC shall charge for all services requested by BTV and rendered by the STANTEC in connection with the PROJECT in strict accordance with the conditions set forth in this Article of the AGREEMENT.

The charges made by STANTEC under this Article and the payment of said charges by BTV shall constitute full compensation for all expenses incurred by STANTEC in connection with the services rendered including F.I.C.A. taxes, Federal and State unemployment taxes, costs in connection with employee's benefits, office expenses, supplies and equipment, the general costs of doing business, and STANTEC's profit.

Lump Sum Fees

STANTEC shall charge lump sum fees for all work under ARTICLE A, "Design"; ARTICLE B, "General Administration"; ARTICLE C, "Bidding and Arrangements for Construction"; ARTICLE D, "Construction Administration"; ARTICLE E, "Construction Observation". The lump sum fee to be charged by STANTEC and paid by BTV shall be as follows:

1. For all work under ARTICLE A, "Design", the lump sum fee of \$10,179 (ten thousand, one hundred seventy-nine dollars and no cents).
2. For all work under ARTICLE B, "General Administration", the lump sum fee of \$2,942 (two thousand, nine hundred forty-two dollars and no cents).
3. For all work under ARTICLE C, "Bidding and Arrangements for Construction", the lump sum fee of \$5,814 (five thousand, eight hundred fourteen dollars and no cents).

Actual Cost Plus Fixed Fee

STANTEC shall charge for all services provided under ARTICLE D, "Construction Administration", and for all work under ARTICLE E, "Construction Observation", based on the actual cost of providing such services, plus fixed fee payments.

STANTEC's charges for the actual cost of providing services will be computed as the total of (1) Salary Costs, (2) Overhead, and (3) Direct Non-Salary Expenses, all as defined in the Federal Aviation Administration's Advisory Circular No. 150/5100-14E, entitled "Architectural Engineering and Planning STANTEC Service for Airport Grant Projects"; a copy of which is on file in the offices of each of the parties hereto.

The total of STANTEC's charges for providing these services shall not exceed the following amounts without prior written approval of BTV, and the FAA:

1. For providing services under ARTICLE D, "Construction Administration", the amount of \$6,322 (six thousand, three hundred twenty-two dollars and no cents).
2. For providing services under ARTICLE E, "Construction Observation", the amount of \$6,129 (six thousand, one hundred twenty-nine dollars and no cents).

The total of STANTEC's charges for providing all services under this AGREEMENT shall not exceed \$31,385 (thirty-one thousand, three hundred eighty-five dollars and no cents) without written approval of BTV and the FAA. Please refer to the attached spreadsheets for a detailed breakdown of the staff hours and costs for the individual project tasks.

ARTICLE G – WORK NOT INCLUDED

Services that are not included in this this scope of services include:

1. Preparation of any permit applications other than those specified in this agreement.
2. Attendance at additional project or public meetings beyond those specified in this agreement.
3. Preparation of application for federal assistance.
4. Preparation of federal reimbursement requests.
5. Preparation of a Construction Safety and Phasing Plan (CSPP). *Per Table 1 of ARP SOP 1.00 a CSPP is not required if a project is outside the AOA.*



Summary of Fees for Engineering Services

Stantec Consulting Services Inc.
482 Payne Road Scarborough Court
Tel: (207) 883-3355
www.stantec.com

Burlington International Airport South Burlington, VT

Replace Airport Rotating Beacon

3-50-0005-1__-2017

Article A: Design	\$10,179
Article B: General Administration	\$2,942
Article C: Bidding and Arrangement for Construction	\$5,814
Article D: Construction Administration	\$6,322
Article E: Observation of Construction	\$6,129

Total Engineering Services Fee: \$31,385



Stantec Consulting Services Inc.
 482 Payne Road Scarborough Court
 Tel: (207) 883-3355
www.stantec.com

Fee Schedule for Engineering Services

Burlington International Airport
 Replace Airport Rotating Beacon
 3-50-0005-1__-2017
 1953xxxxxxx

Article A: Design

TASK	DISCIPLINE	Senior Project Manager	Senior Electrical Engineer	Electrical Designer	Senior Principal	Civil Engineer	Senior Engineering Technician	Structural Engineer	Administrative / Clerical
1.0	Site Visit and Data Gathering	2	10						
2.0	Structural Condition Assessment & Report							8	
3.0	Preliminary Design (Electrical & Tree Clearing) & Cost Estimate	1	6	16			6		
4.0	Final Design (Electrical & Tree Clearing)	1	3	8			3		
5.0	Specifications	1	1						2
6.0	Quality Control	1			1				
TOTAL HOURS		6	20	24	1	0	9	8	2
Hourly Rate		\$54.00	\$66.00	\$30.00	\$73.00	\$38.00	\$30.00	\$48.00	\$22.00
Direct Labor Cost		\$324.00	\$1,320.00	\$720.00	\$73.00	\$0.00	\$270.00	\$384.00	\$44.00

Article 1: Expense Worksheet

<u>Task 1.0</u>			
<u>Trips</u>	<u>Miles</u>	<u>\$ per mile</u>	<u>Total</u>
1	550	\$0.54	\$297.00
<u>Nights</u>	<u>People</u>	<u>Lodging Per Night</u>	
0	0	\$150.00	\$0.00
<u>Days</u>	<u>People</u>	<u>Meals</u>	
1	1	\$34.50	\$34.50

<u>Outside Services:</u>	
	\$0.00
TOTAL OUTSIDE SERVICES	\$0.00

<u>Labor Summary:</u>	
TOTAL DIRECT LABOR COST	\$3,135.00
OVERHEAD @ 173.13%	\$5,427.63
FIXED FEE @ 15%	\$1,284.39
TOTAL LABOR COST	\$9,847.02

<u>Expense Summary:</u>	
TOTAL OUTSIDE SERVICES	\$331.50

USE:	\$10,179
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 482 Payne Road Scarborough Court
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www.stantec.com

Fee Schedule for Engineering Services

Burlington International Airport
 Replace Airport Rotating Beacon
 3-50-0005-1__-2017
 1953xxxxxxxx

Article D: Construction Administration

TASK	DISCIPLINE	Senior Project Manager	Senior Electrical Engineer	Electrical Designer	Senior Environmental Analyst	Civil Engineer	Surveyor	Senior Engineering Technician	Administrative / Clerical
1.0	Pre Construction Conference	4	4						
2.0	Construction Correspondance	6							
3.0	Shop Drawing Review		2	2					
4.0	Final Inspection		10						
5.0	Record Drawings	2		4				4	
TOTAL HOURS		12	16	6	0	0	0	4	0
Hourly Rate		\$54.00	\$66.00	\$30.00	\$37.00	\$38.00	\$37.00	\$30.00	\$22.00
Direct Labor Cost		\$648.00	\$1,056.00	\$180.00	\$0.00	\$0.00	\$0.00	\$120.00	\$0.00

Article 1: Expense Worksheet

<u>Task 1.0</u>			
<u>Trips</u>	<u>Miles</u>	<u>\$ per mile</u>	<u>Total</u>
5	10	\$0.54	\$27.00
<u>Nights</u>	<u>People</u>	<u>Lodging Per Night</u>	
0	0	\$150.00	\$0.00
<u>Days</u>	<u>People</u>	<u>Meals</u>	
0	0	\$34.50	\$0.00

Outside Services:	
	\$0.00
TOTAL OUTSIDE SERVICES	\$0.00

Labor Summary:	
TOTAL DIRECT LABOR COST	\$2,004.00
OVERHEAD @ 173.13%	\$3,469.53
FIXED FEE @ 15%	\$821.03
TOTAL LABOR COST	\$6,294.55

Expense Summary:	
TOTAL OUTSIDE SERVICES	\$27.00

USE:	\$6,322
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 Tel: (207) 883-3355
www.stantec.com

Fee Schedule for Engineering Services

Burlington International Airport
 Replace Airport Rotating Beacon
 3-50-0005-1__-2017
 1953xxxxxxxx

Article E: Observation of Construction

TASK	DISCIPLINE	Senior Civil Engineer	Senior Electrical Engineer	Electrical Engineer	Senior Environmental Analyst	Civil Engineer	Surveyor	Senior Engineering Technician	Administrative / Clerical
1.0	Resident Inspection					45			
6.0	Punch-list Follow-up					4			
TOTAL HOURS		0	0	0	0	49	0	0	0
Hourly Rate		\$52.00	\$66.00	\$30.00	\$37.00	\$38.00	\$37.00	\$30.00	\$22.00
Direct Labor Cost		\$0.00	\$0.00	\$0.00	\$0.00	\$1,862.00	\$0.00	\$0.00	\$0.00

Article 1: Expense Worksheet

<u>Task 1.0</u>			
<u>Trips</u>	<u>Miles</u>	<u>\$ per mile</u>	<u>Total</u>
20	10	\$0.54	\$108.00
<u>Nights</u>	<u>People</u>	<u>Lodging Per Night</u>	
0	0	\$150.00	\$0.00
<u>Days</u>	<u>People</u>	<u>Meals</u>	
5	1	\$34.50	\$172.50

Outside Services:	
	\$0.00
TOTAL OUTSIDE SERVICES	\$0.00

Labor Summary:	
TOTAL DIRECT LABOR COST	\$1,862.00
OVERHEAD @ 173.13%	\$3,223.68
FIXED FEE @ 15%	\$762.85
TOTAL LABOR COST	\$5,848.53

Expense Summary:	
TOTAL OUTSIDE SERVICES	\$280.50

USE:	\$6,129
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Required Contract Provisions for Airport Improvement Program and for Obligated Sponsors

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RECORD OF CHANGES

No.	Date	Item	Change
1	1/29/2016	Entire Document	Re-structured document to enhance user understanding of use and applicability; added suggested provisions for "Termination for Cause", "Recovered Materials", "Seismic Safety".
2	6/10/2016	Table 1	Item 10, Distracted Driving: Updated "Dollar Threshold" to \$3,500 to reflect current micro-purchase threshold.
2	6/10/2016	A2, Affirmative Action	Update the reference to the Department of Labor online document to be "Participation Goals for Minority and Females"
2	6/10/2016	A12, Disadvantaged Business Enterprise	<p>A12.3: Changed Title to "Required Provisions"</p> <p>A12.3.1: Corrected starting timeframe for submitting written confirmation from "Owner Notice of Award" to "bid opening"</p> <p>A12.3.1: Provided two sets of last paragraphs to reflect change (7 days to 5 days) that occurs on December 31, 2016.</p> <p>A12.3.2: Moved Race/Gender Neutral language up and renamed heading to reflect text is solicitation language.</p> <p>A12.3.3: Moved and renamed contract clause information and clarified it is for prime contract covered by a DBE program.</p>

REQUIREMENTS

1. Required Contract Provisions

Federal laws and regulations require that recipients of federal assistance (Sponsors) include specific contract provisions in certain contracts, requests for proposals, or invitations to bid.

Certain provisions must be included in all sponsor contracts, regardless of **whether or not** the contracts are federally-funded. This requirement was established when a sponsor accepted the Airport Improvement Program (AIP) grant assurances.

To maintain eligibility of their procurement actions, a sponsor must incorporate applicable contract provisions in all federally-assisted procurement and contract documents, including all subcontracts. For purposes of determining requirements for contract provisions, the term **contract** includes subcontracts.

2. Sponsor Requirements

In general, the sponsor must:

- 1) Incorporate applicable contract provisions in each contract funded under AIP;
 - a. Except as noted herein, a sponsor must physically incorporate the text of the provision within the procurement documents.
 - b. Where specifically noted, sponsors may incorporate select provisions by reference provided the sponsor indicates that the reference has the same force and effect as if given in full text.
- 2) Require the contractor (including all subcontractors) to insert these contract provisions in each lower tier contracts (e.g. subcontract or sub-agreement);
- 3) Require the contractor (or subcontractor) to incorporate the applicable requirements of these contract provisions by reference for work done under any purchase orders, rental agreements and other agreements for supplies or services;
- 4) Require that the prime contractor be responsible for compliance with these contract provisions by any subcontractor, lower-tier subcontractor or service provider;
- 5) Verify that any required local or State provision does not conflict with, or alter a Federal law or regulation.

3. Incorporation of Provisions

The statutes and regulations that establish the requirements for contract provisions do not always specify language the sponsor must use to address the requirement. Appendix A of this guide provides information on when a provision or clause has mandatory language that a sponsor must apply. Refer to the subheading *Applicability* for each provision.

Whenever a clause or provision has mandatory text, the sponsor must incorporate the text of the provision without change. The only exception to this restriction is for those instances within the provision text that require the sponsor to insert appropriate information such as name or value. To align with the sponsor's standard contract language, the word "Owner" may also be replaced with "Airport

Authority” or their standard method of referring to the sponsor in contracts. Any modification beyond what is specifically permitted is not permitted and may invalidate the clause.

For those provisions that do not have required language, this guidance provides model language acceptable to the FAA in meeting the intent and purpose of the law or regulation. Some sponsors may already have standard procurement language that is equivalent to those Federal provisions that do not have explicit mandatory language. In these cases, sponsors may use their existing standard procurement provision language provided the text meets the intent and purpose of the Federal law or regulation.

Contract clause language must be made available to bidders. The Sponsor does this by including the required language in Requests for Bids, Notices to Bidders, or in the contract.

4. Requests for Bids (Advertisement) and Notice to Bidders

The sponsor may incorporate certain provisions *by reference* in the Request for Bids (the Advertisement) rather than including the entire text of the provision in the Request or Notice to Bidders. The sponsor must incorporate the full text of these provisions within any contract that originates from the procurement action. The provisions that can be incorporated by reference in the Request or Notice are:

- 1) Buy American Preference
- 2) Foreign Trade Restriction
- 3) Davis Bacon
- 4) Affirmative Action
- 5) Government-wide Debarment and Suspension
- 6) Government-wide Requirements for Drug-free Workplace

5. Requirements For All Contracts Entered into by Obligated Sponsors.

A sponsor’s acceptance of previous grant assurances obligates them to include certain notifications in all contracts and procurement actions they undertake regardless of funding source. Contracts and agreements fully funded by the sponsor must incorporate those select provisions.

6. Failure to Comply with Provisions

Sponsor failure to incorporate required provisions will jeopardize AIP eligibility of the sponsor’s project. Contractor failure to comply with the terms of these contract provisions may be sufficient grounds to:

- 1) Withhold progress payments or final payment;
- 2) Terminate the contract for cause;
- 3) Seek suspension/debarment; or
- 4) Take other action determined to be appropriate by the sponsor or the FAA.

7. Applicability Matrix for Contract Provisions

[Table 1](#) summarizes the applicability of contract provisions based upon the type of contract or agreement. The dollar threshold represents the value at which, when equal to or exceeded, the sponsor must incorporate the provision in their contract or agreement. Supplemental information addressing applicability and use for each provision is located in Appendix A.

Meaning of cell values

- REQD - a provision the sponsor must incorporate in their procurement action.
- Limited –a provision with limited applicability depending on circumstances of the procurement.
- n/a – a provision that is not applicable for that procurement type.

Table 1 – Applicability of Provisions

Provision	Dollar Threshold	Professional Services	Construction	Equipment	Property (Land)	Non-AIP Contracts
a. Access to Records and Reports	\$ 0	REQD	REQD	REQD	REQD	n/a
b. Buy American Preferences	\$ 0	Limited	REQD	REQD	Limited	n/a
(1) Buy American Statement	\$ 0	Limited	REQD	REQD	Limited	n/a
(2) Buy American – Total Facility	\$ 0	Limited	REQD	REQD	Limited	n/a
(3) Buy American – Manufactured Product	\$ 0	Limited	REQD	REQD	Limited	n/a
c. Civil Rights – General	\$ 0	REQD	REQD	REQD	REQD	REQD
d. Civil Rights - Title VI Assurances	\$ 0	REQD	REQD	REQD	REQD	REQD
(1) Notice - Solicitation	\$ 0	REQD	REQD	REQD	REQD	REQD
(2) Clause - Contracts	\$ 0	REQD	REQD	REQD	REQD	REQD
(3) Clause – Transfer of U.S. Property	\$ 0	n/a	n/a	n/a	REQD	REQD
(4) Clause – Transfer of Real Property	\$ 0	n/a	n/a	n/a	REQD	REQD
(5) Clause - Construct/Use/Access to Real Property	\$ 0	n/a	n/a	n/a	REQD	REQD
(6) List – Pertinent Authorities	\$0	REQD	REQD	REQD	REQD	REQD
e. Disadvantaged Business Enterprise	\$ 0	REQD	REQD	REQD	REQD	n/a
f. Energy Conservation Requirements	\$ 0	REQD	REQD	REQD	REQD	n/a
g. Federal Fair Labor Standards Act	\$ 0	REQD	REQD	REQD	REQD	REQD
h. Occupational Safety and Health Act	\$ 0	REQD	REQD	REQD	REQD	REQD
i. Rights to Inventions	\$ 0	Limited	Limited	Limited	n/a	n/a
j. Trade Restriction Certification	\$ 0	REQD	REQD	REQD	REQD	n/a
k. Veteran’s Preference	\$ 0	REQD	REQD	REQD	REQD	n/a
l. Seismic Safety	\$ 0	Limited	Limited	n/a	n/a	n/a
m. Copeland Anti-Kickback	\$ 2,000	Limited	REQD	Limited	Limited	n/a
n. Davis Bacon Requirements	\$ 2,000	Limited	REQD	Limited	Limited	n/a
o. Distracted Driving	\$3,500	REQD	REQD	REQD	REQD	n/a
p. Affirmative Action Requirement	\$10,000	Limited	REQD	Limited	Limited	n/a
q. Equal Employment Opportunity	\$10,000	Limited	REQD	Limited	Limited	n/a
(1) EEO Contract Clause	\$10,000	Limited	REQD	Limited	Limited	n/a
(2) EEO Specification	\$10,000	Limited	REQD	Limited	Limited	n/a
r. Prohibition of Segregated Facilities	\$10,000	Limited	REQD	Limited	Limited	n/a
s. Recovered Materials	\$10,000	Limited	REQD	REQD	Limited	n/a
t. Termination of Contract	\$10,000	REQD	REQD	REQD	REQD	n/a
u. Debarment and Suspension	\$25,000	REQD	REQD	REQD	Limited	n/a
v. Contract Work Hours and Safety Standards	\$100,000	Limited	REQD	Limited	Limited	n/a
w. Lobbying Federal Employees	\$ 100,000	REQD	REQD	REQD	REQD	n/a
x. Breach of Contract	\$150,000	REQD	REQD	REQD	REQD	n/a
y. Clean Air/Water Pollution Control	\$150,000	REQD	REQD	REQD	REQD	n/a

APPENDIX A – CONTRACT PROVISIONS

A1 ACCESS TO RECORDS AND REPORTS

A1.1 SOURCE

2 CFR § 200.333

2 CFR § 200.336

FAA Order 5100.38

A1.2 APPLICABILITY

2 CFR § 200.333 requires a sponsor to retain records pertinent to a Federal award for a period of three years from submission of final closure documents. 2 CFR § 200.336 establishes that sponsors must provide Federal entities the right to access records pertinent to the Federal award. FAA policy extends these requirements to the sponsor's contracts and subcontracts of AIP funded projects.

Contract Types – The sponsor must include this provision in all contracts and subcontracts of AIP funded projects.

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor's language must fully satisfy the requirements of part 200.

A1.3 CONTRACT CLAUSE

ACCESS TO RECORDS AND REPORTS

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the sponsor, the Federal Aviation Administration, and the Comptroller General of the United States or any of their duly authorized representatives, access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

A2 AFFIRMATIVE ACTION REQUIREMENT

A2.1 SOURCE

41 CFR part 60-4

Executive Order 11246

A2.2 APPLICABILITY

Minority Participation. Sponsors are required to set goals for minority participation in AIP funded projects. The goals for minority participation depend on Economic Area (EA) and Standard Metropolitan Statistical Area (SMSA) as established in Volume 45 of the Federal Register dated 10/3/80. Page 65984 contains a table of all EAs and SMSAs and the associated minority participation goals.

To find the goals for minority participation, a sponsor must either refer to the Federal Register Notice or to the Department of Labor online document, "[Participation Goals for Minorities and Females](#)". EA's and SMSA's cross state boundaries so a sponsor may have to refer to entries for adjacent states to find their project location.

A sponsor must insert the applicable percentage minority goal. Sponsor must not simply insert a reference to the Federal Register Notice.

Female Participation. Executive Order 11246 has set a goal of 6.9% nationally for female participation for all construction contractors. This value does not change per county or state.

Contract Types –

Construction: The sponsor must incorporate this notice in all solicitations for bids or requests for proposals for AIP funded construction work contracts and subcontracts that exceed \$10,000. Construction work means construction, rehabilitation, alteration, conversion, extension, demolition or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.

Equipment: The sponsor must incorporate this notice in any equipment project exceeding \$10,000 that involves installation of equipment onsite (e.g. electrical vault equipment). This provision does not apply to equipment acquisition projects where the manufacture of the equipment takes place offsite at the vendor plant (e.g. firefighting and snow removal vehicles)

Professional Services: The sponsor must incorporate this notice in any professional service agreement if the professional service agreement includes construction work (as defined above) that exceed \$10,000. Examples include installation of noise monitoring systems.

Property/Land: The sponsor must incorporate this notice in any agreement associated with land acquisition if the agreement includes construction work (defined above) that exceeds \$10,000. Examples include demolition of structures or installation of boundary fencing.

Use of Provision – The sponsor must incorporate the text of this provision without modification. The sponsor must incorporate the established minority participation goal and the covered area by geographic name within the provision text.

A2.3 CONTRACT CLAUSE

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION to ENSURE EQUAL EMPLOYMENT OPPORTUNITY

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
2. The goals and timetables for minority and female participation, expressed in percentage terms for the contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables

Goals for minority participation for each trade: ***[sponsor must insert established goal]***

Goals for female participation in each trade: 6.9%

These goals are applicable to all of the contractor's construction work (whether or not it is Federal or federally-assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its federally involved and non-federally involved construction.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs (OFCCP) within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

4. As used in this notice and in the contract resulting from this solicitation, the "covered area" is ***[sponsor must insert state, county, and city]***.

A3 BREACH OF CONTRACT TERMS

A3.1 SOURCE

2 CFR § 200 Appendix II(A)

A3.2 APPLICABILITY

This provision requires sponsors to incorporate administrative, contractual or legal remedies if contractors violate or breach contract terms. The sponsor must also include appropriate sanctions and penalties.

Contract Types – This provision is required for all contracts that exceed the simplified acquisition threshold as stated in 2 CFR Part 200, Appendix II (A). This threshold is occasionally adjusted for inflation, and is now equal to \$150,000.

Use of Provision – The regulation does not prescribe mandatory language. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s language must fully satisfy the requirements of part 200. Select either “contractor” or “consultant” as applicable.

A3.3 CONTRACT CLAUSE

BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the contractor or its subcontractors may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide [*Contractor / Consultant*] written notice that describes the nature of the breach and corrective actions the [*Contractor / Consultant*] must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Contractor until such time the Contractor corrects the breach or the Owner elects to terminate the contract. The Owner’s notice will identify a specific date by which the [*Contractor / Consultant*] must correct the breach. Owner may proceed with termination of the contract if the [*Contractor / Consultant*] fails to correct the breach by deadline indicated in the Owner’s notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

A4 BUY AMERICAN PREFERENCE

A4.1 SOURCE

Title 49 USC § 50101

A4.2 APPLICABILITY

The Buy-American Preference requirement in 49 USC § 50101 requires that all steel and manufactured goods used on AIP projects be produced in the United States. The statute gives the FAA the ability to issue a waiver to a sponsor to use non-domestic material on the AIP funded project. The sponsor may request that the FAA issue a waiver from the Buy American Preference requirements if the FAA finds that:

- 1) Applying the provision is not in the public interest;
- 2) The steel or manufactured goods are not available in sufficient quantity or quality in the United States;
- 3) The cost of components and subcomponents produced in the United States is more than 60 percent of the total components of a facility or equipment, and final assembly has taken place in the United States. Items that have an FAA standard specification item number (such as specific airport lighting equipment) are considered the equipment.
- 4) Applying this provision would increase the cost of the overall project by more than 25 percent.

Timing of Waiver Requests. The sponsor must submit Type 1 or Type 2 waiver requests *before* issuing a solicitation for bids or a request for proposal for a project.

The sponsor must submit Type 3 or Type 4 waiver requests *prior* to executing the contract. The FAA will generally not consider waiver requests after execution of the contract except where extraordinary only if extenuating circumstances exist. The FAA cannot review incomplete waiver requests or requests that the Sponsor has not reviewed for adequacy. Sponsor must assess the adequacy of the waiver request before forwarding the request to the FAA.

Buy American Conformance List. The FAA Office of Airports maintains a listing of equipment that has received National waivers from the Buy American Preference requirements or that fully meet the Buy American requirements. This Buy American Conformance List is available online at www.faa.gov/airports/aip/buy_american/. Products listed on the Buy American Conformance list do not require a project specific Buy American Preference requirement waiver from the FAA.

Facility Waiver Requests. For construction of a facility, the sponsor may submit the waiver request after bid opening, but prior to contract execution. Examples of facility construction include terminal buildings, terminal renovation, and snow removal equipment buildings.

Contract Types –

Construction and Equipment - The sponsor must meet the Buy American Preference requirements of 49 USC § 50101 for all AIP funded projects that require steel or manufactured goods. The Buy America requirements flow down from the sponsor to first tier contractors, who

are responsible for ensuring that lower tier contractors and subcontractors are also in compliance.

Note: the Buy American Preference does not apply to equipment a contractor uses as a tool of their trade and does not remain as part of the project.

Professional Services – Professional service agreements (PSA) do not normally result in a deliverable that meets the definition of a manufactured product. However, the emergence of different project delivery methods has created situations where task deliverables may include a manufactured product. If a PSA includes providing a manufactured good as part of the contract, the sponsor must include the Buy American Preference provision in the agreement.

Property – Most land transactions do not involve acquiring a manufactured product. However, under certain circumstances, a property acquisition project could result in the installation of a manufactured product. For example, the installation of property fencing, gates, doors and locks, etc. represent manufactured products acquired under the AIP funded project that must meet the Buy American Preference.

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s revised language must fully comply with 49 USC § 50101.

There are two types of Buy American certifications. The sponsor must incorporate the appropriate “Certificate of Buy America Compliance” in the solicitation:

- Projects for a facility (Buildings such as Terminal, SRE, ARFF, etc.) – Insert the Certificate of Compliance Based on Total Facility
- Projects for non-facility development (non-building construction projects such as runway or roadway construction; or equipment acquisition projects) – Insert the Certificate of Compliance Based on Equipment and Materials Used on the Project.

A4.3 CONTRACT CLAUSE

A4.3.1 Buy American Preference Statement

BUY AMERICAN PREFERENCE

The contractor agrees to comply with 49 USC § 50101, which provides that Federal funds may not be obligated unless all steel and manufactured goods used in AIP funded projects are produced in the United States, unless the FAA has issued a waiver for the product; the product is listed as an Excepted Article, Material Or Supply in Federal Acquisition Regulation subpart 25.108; or is included in the FAA Nationwide Buy American Waivers Issued list.

A bidder or offeror must complete and submit the Buy America certification included herein with their bid or offer. The Owner will reject as nonresponsive any bid or offer that does not include a completed Certificate of Buy American Compliance.

A4.3.2 Certificate of Buy American Compliance – Total Facility

CERTIFICATE OF BUY AMERICAN COMPLIANCE FOR TOTAL FACILITY

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one of the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (i.e. not both) by inserting a checkmark (✓) or the letter “X”.

- Bidder or offeror hereby certifies that it will comply with 49 USC. 50101 by:
- a) Only installing steel and manufactured products produced in the United States; or
 - b) Installing manufactured products for which the FAA has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing; or
 - c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing US domestic products.
3. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

- The bidder or offeror hereby certifies it cannot comply with the 100% Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that support the type of waiver being requested.
2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination that may result in rejection of the proposal.
3. To faithfully comply with providing US domestic products at or above the approved US domestic content percentage as approved by the FAA.
4. To furnish US domestic product for any waiver request that the FAA rejects.
5. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver - The cost of components and subcomponents produced in the United States is more than 60% of the cost of all components and subcomponents of the “facility”. The required documentation for a type 3 waiver is:

- a) Listing of all manufactured products that are not comprised of 100% US domestic content (Excludes products listed on the FAA Nationwide Buy American Waivers Issued listing and

products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety)

- b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly and installation at project location.
- c) Percentage of non-domestic component and subcomponent cost as compared to total “facility” component and subcomponent costs, excluding labor costs associated with final assembly and installation at project location.

Type 4 Waiver – Total cost of project using US domestic source product exceeds the total project cost using non-domestic product by 25%. The required documentation for a type 4 of waiver is:

- a) Detailed cost information for total project using US domestic product
- b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

Date

Signature

Company Name

Title

A4.3.3 Certificate of Buy American Compliance – Manufactured Product

Certificate of Buy American Compliance for Manufactured Products

As a matter of bid responsiveness, the bidder or offeror must complete, sign, date, and submit this certification statement with their proposal. The bidder or offeror must indicate how they intend to comply with 49 USC § 50101 by selecting one on the following certification statements. These statements are mutually exclusive. Bidder must select one or the other (not both) by inserting a checkmark (✓) or the letter “X”.

- Bidder or offeror hereby certifies that it will comply with 49 USC § 50101 by:
- a) Only installing steel and manufactured products produced in the United States, or;
 - b) Installing manufactured products for which the FAA has issued a waiver as indicated by inclusion on the current FAA Nationwide Buy American Waivers Issued listing, or;
 - c) Installing products listed as an Excepted Article, Material or Supply in Federal Acquisition Regulation Subpart 25.108.

By selecting this certification statement, the bidder or offeror agrees:

1. To provide to the Owner evidence that documents the source and origin of the steel and manufactured product.
2. To faithfully comply with providing US domestic product
3. To furnish US domestic product for any waiver request that the FAA rejects
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

- The bidder or offeror hereby certifies it cannot comply with the 100% Buy American Preferences of 49 USC § 50101(a) but may qualify for either a Type 3 or Type 4 waiver under 49 USC § 50101(b). By selecting this certification statement, the apparent bidder or offeror with the apparent low bid agrees:

1. To the submit to the Owner within 15 calendar days of the bid opening, a formal waiver request and required documentation that support the type of waiver being requested.
2. That failure to submit the required documentation within the specified timeframe is cause for a non-responsive determination may result in rejection of the proposal.
3. To faithfully comply with providing US domestic products at or above the approved US domestic content percentage as approved by the FAA.
4. To refrain from seeking a waiver request after establishment of the contract, unless extenuating circumstances emerge that the FAA determines justified.

Required Documentation

Type 3 Waiver - The cost of the item components and subcomponents produced in the United States is more that 60% of the cost of all components and subcomponents of the “item”. The required documentation for a type 3 waiver is:

- a) Listing of all product components and subcomponents that are not comprised of 100% US domestic content (Excludes products listed on the FAA Nationwide Buy American

Waivers Issued listing and products excluded by Federal Acquisition Regulation Subpart 25.108; products of unknown origin must be considered as non-domestic products in their entirety).

- b) Cost of non-domestic components and subcomponents, excluding labor costs associated with final assembly at place of manufacture.
- c) Percentage of non-domestic component and subcomponent cost as compared to total “item” component and subcomponent costs, excluding labor costs associated with final assembly at place of manufacture.

Type 4 Waiver – Total cost of project using US domestic source product exceeds the total project cost using non-domestic product by 25%. The required documentation for a type 4 of waiver is:

- a) Detailed cost information for total project using US domestic product
- b) Detailed cost information for total project using non-domestic product

False Statements: Per 49 USC § 47126, this certification concerns a matter within the jurisdiction of the Federal Aviation Administration and the making of a false, fictitious or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code.

Date

Signature

Company Name

Title

A5 CIVIL RIGHTS - GENERAL

A5.1 SOURCE

49 USC § 47123

A5.2 APPLICABILITY

Note: This provision is in addition to the Civil Rights – Title VI provisions.

Contract Types – The General Civil Rights Provisions found in 49 USC § 47123, derived from the Airport and Airway Improvement Act of 1982, Section 520, apply to all sponsor contracts regardless of funding source.

Use of Provision – There are two versions of this provision. One applies to sponsor contracts and the other applies to sponsor lease agreements and transfer agreements. The sponsor must incorporate the text of the appropriate provision without modification.

A5.3 CONTRACT CLAUSE

A5.3.1 Sponsor Contracts

GENERAL CIVIL RIGHTS PROVISIONS

The contractor agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision binds the contractor and subtier contractors from the bid solicitation period through the completion of the contract. This provision is in addition to that required of Title VI of the Civil Rights Act of 1964.

A5.3.2 Sponsor Lease Agreements and Transfer Agreements

GENERAL CIVIL RIGHTS PROVISIONS

The tenant/concessionaire/lessee and its transferee agree to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision obligates the tenant/concessionaire/lessee or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program.

In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods:

(a) The period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or

(b) The period during which the airport sponsor or any transferee retains ownership or possession of the property.

A6 CIVIL RIGHTS – TITLE VI ASSURANCE

A6.1 SOURCE

49 USC § 47123

FAA Order 1400.11

A6.2 APPLICABILITY

Title VI of the Civil Rights Act of 1964, as amended, (Title VI) prohibits discrimination on the grounds of race, color, or national origin under any program or activity receiving Federal financial assistance. Sponsors must include appropriate clauses from the Standard DOT Title VI Assurances in all contracts and solicitations.

The clauses are as follows:

A6.2.1 Applicability of Title VI Solicitation Notice

Contract Clause	The Sponsor must include the contract clause in:	Clause Text is Included in Paragraph
Title VI Solicitation Notice	1) All solicitations for bids, requests for proposals work, or material subject to the nondiscrimination acts and regulations made in connection with Airport Improvement Program grants; and 2) All proposals for negotiated agreements regardless of funding source.	A6.3.1
Title VI Clauses for Compliance with Nondiscrimination Requirements	Every contract or agreement, unless the sponsor has determined and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities	A6.3.2
Title VI Required Clause for Property Interests Transferred from the United States	As a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.	A6.3.3

Contract Clause	The Sponsor must include the contract clause in:	Clause Text is Included in Paragraph
Title VI Required Clause for Transfer of Real Property Acquired or Improved Under the Activity, Facility or Program	As a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the sponsor with other parties for all transfers of real property acquired or improved under the activity, facility, or program	A6.3.4
Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program	As a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the sponsor with other parties for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program	A6.3.5
Title VI List Of Pertinent Nondiscrimination Acts And Authorities	Insert this list in every contract or agreement, unless the sponsor has determined and the FAA concurs, that the contract or agreement is not subject to the Nondiscrimination Acts and Authorities	A6.3.6

A6.3 CONTRACT CLAUSE

A6.3.1 Title VI Solicitation Notice

Title VI Solicitation Notice:

The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

A6.3.2 Title VI Clauses for Compliance with Nondiscrimination Requirements

Compliance with Nondiscrimination Requirements

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor’s obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment,

unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

A6.3.3 Title VI Clauses for Deeds Transferring United States Property

CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of the Airport Improvement Program grant assurances.

NOW, THEREFORE, the Federal Aviation Administration as authorized by law and upon the condition that the (*Title of Sponsor*) will accept title to the lands and maintain the project constructed thereon in accordance with (*Name of Appropriate Legislative Authority*), for the (**Airport Improvement Program or other program for which land is transferred**), and the policies and procedures prescribed by the Federal Aviation Administration of the U.S. Department of Transportation in accordance and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the (*Title of Sponsor*) all the right, title and interest of the U.S. Department of Transportation/Federal Aviation Administration in and to said lands described in (*Exhibit A attached hereto or other exhibit describing the transferred property*) and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto (*Title of Sponsor*) and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the (*Title of Sponsor*), its successors and assigns.

The (*Title of Sponsor*), in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]* (2) that the (*Title of Sponsor*) will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of

Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the Federal Aviation Administration and its assigns as such interest existed prior to this instruction].*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

A6.3.4 Title VI Clauses for Transfer of Real Property Acquired or Improved Under the Activity, Facility, or Program

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the (*Title of Sponsor*) pursuant to the provisions of the Airport Improvement Program grant assurances.

- A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add “as a covenant running with the land”] that:
 - 1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
- B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Nondiscrimination covenants, (*Title of Sponsor*) will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*
- C. With respect to a deed, in the event of breach of any of the above Nondiscrimination covenants, the (*Title of Sponsor*) will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the (*Title of Sponsor*) and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

A6.3.5 Title VI Clauses for Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by (*Title of Sponsor*) pursuant to the provisions of the Airport Improvement Program grant assurances.

- A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, “as a covenant running with the land”) that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.
- B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above nondiscrimination covenants, (*Title of Sponsor*) will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*
- C. With respect to deeds, in the event of breach of any of the above nondiscrimination covenants, (*Title of Sponsor*) will there upon revert to and vest in and become the absolute property of (*Title of Sponsor*) and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

A6.3.6 Title VI List of Pertinent Nondiscrimination Acts and Authorities

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).

A7 CLEAN AIR AND WATER POLLUTION CONTROL

A7.1 SOURCE

2 CFR § 200, Appendix II(G)

A7.2 APPLICABILITY

Contract Types – This provision is required for all contracts and lower tier contracts that exceed \$150,000.

Use of Provision – The regulation does not prescribe mandatory language. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor's language must fully satisfy the requirements of Appendix II to 2 CFR §200.

A7.3 CONTRACT CLAUSE

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. § 740-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceeds \$150,000.

A8 CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS

A8.1 SOURCE

2 CFR § 200, Appendix II(E)

A8.2 APPLICABILITY

Contract Workhours and Safety Standards Act Requirements, (CWHSSA) requires contractors and subcontractors on covered contracts to pay laborers and mechanics employed in the performance of the contracts one and one-half times their basic rate of pay for all hours worked over 40 in a workweek. CWHSSA prohibits unsanitary, hazardous, or dangerous working conditions on federally assisted projects. The Wage and Hour Division (WHD) within the U.S. Department of Labor (DOL) enforces the compensation requirements of this Act, while DOL's Occupational Safety and Health Administration (OSHA) enforces the safety and health requirements

Contract Types –

Construction - This provision applies to all contracts and lower tier contracts that exceed \$100,000, and employ laborers, mechanics, watchmen and guards.

Equipment - This provision applies to any equipment project exceeding \$100,000 that involves installation of equipment onsite (e.g. electrical vault equipment). This provision does not apply to equipment acquisition projects where the manufacture of the equipment takes place offsite at the vendor plant (e.g. ARFF and SRE vehicles)

Professional Services - This provision applies to professional service agreements that exceed \$100,000 and employs laborers, mechanics, watchmen and guards. This includes members of survey crews and exploratory drilling operations.

Property – While most land transactions do not involve employment of laborers, mechanics, watchmen and guards, under certain circumstances, a property acquisition project could require such employment. Examples include the installation of property fencing or testing for environmental contamination

Use of Provision – Sponsors must incorporate this text without modification.

A8.3 CONTRACT CLAUSE

CONTRACT WORKHOURS AND SAFETY STANDARDS ACT REQUIREMENTS

1. Overtime Requirements.

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a

rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

2. Violation; Liability for Unpaid Wages; Liquidated Damages.

In the event of any violation of the clause set forth in paragraph (1) of this clause, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

3. Withholding for Unpaid Wages and Liquidated Damages.

The Federal Aviation Administration (FAA) or the Owner shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 of this clause.

4. Subcontractors.

The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (1) through (4) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this clause.

A9 COPELAND “ANTI-KICKBACK” ACT

A9.1 SOURCE

2 CFR § 200, Appendix II(D)

29 CFR Parts 3 & 5

A9.2 APPLICABILITY and PURPOSE

The Copeland (Anti-Kickback) Act (18 U.S.C. 874 and 40 U.S.C. 3145) makes it unlawful to induce by force, intimidation, threat of dismissal from employment, or by any other manner, any person employed in the construction or repair of public buildings or public works, financed in whole or in part by the United States, to give up any part of the compensation to which that person is entitled under a contract of employment. The Copeland Act also requires each contractor and subcontractor to furnish weekly a statement of compliance with respect to the wages paid each employee during the preceding week.

Contract Types –

Construction – This provision applies to all construction contracts and subcontracts financed under the AIP program that exceeds \$2,000.

Equipment – This provision applies to all equipment installation projects (e.g. electrical vault improvements) financed under the AIP program that exceeds \$ 2, 000. This provision does not apply to equipment acquisitions where the equipment is manufactured at the vendor’s plant (e.g. SRE and ARFF vehicles)

Professional Services - The emergence of different project delivery methods has created situations where Professional Service Agreements (PSA) includes tasks that meet the definition of construction, alteration or repair as defined in 29 CFR Part 5. If such tasks result in work that qualifies as construction, alteration or repair and it exceeds \$2,000, the PSA must incorporate the Copeland Anti-kickback provision.

Property - Ordinarily, land acquisition projects would not involve employment of laborers or mechanics and thus the Copeland Anti-Kickback provision would not apply. However, land projects that involve installation of boundary fencing and demolition of structures would involve laborers and mechanics. The sponsor must include this provision if the land acquisition project involves employment of laborers or mechanics for a contract exceeding \$2,000.

Use of Provision – 29 CFR Part 5 establishes specific language a sponsor must use in construction contracts. The sponsor may not make any modification to the standard language. A/E firms that employ laborers and mechanics on a task that meets the definition of construction, alteration or repair are acting as a contractor. The sponsor may not substitute the term “contractor” for “consultant” in such instances.

A9.3 CONTRACT CLAUSE

COPELAND “ANTI-KICKBACK” ACT

Contractor must comply with the requirements of the Copeland “Anti-Kickback” Act (18 U.S.C. 874 and 40 U.S.C. 3145), as supplemented by Department of Labor regulation 29 CFR part 3. Contractor and subcontractors are prohibited from inducing, by any means, any person employed on the project to give up any part of the compensation to which the employee is entitled. The Contractor and each Subcontractor must submit to the Owner, a weekly statement on the wages paid to each employee performing on covered work during the prior week. Owner must report any violations of the Act to the Federal Aviation Administration.

A10 DAVIS-BACON REQUIREMENTS

A10.1 SOURCE

2 CFR § 200, Appendix II(D)

29 CFR Part 5

A10.2 APPLICABILITY

The Davis-Bacon Act ensures that laborers and mechanics employed under the contract receive pay no less than the locally prevailing wages and fringe benefits as determined by the Department of Labor.

Contract Types –

Construction - Incorporate into all construction contracts and subcontracts that exceed \$2,000 and include funding from the AIP program.

Equipment – This provision applies to all equipment installation projects (e.g. electrical vault improvements) financed under the AIP program that exceeds \$ 2, 000. This provision does not apply to equipment acquisitions where the equipment is manufactured at the vendor’s plant (e.g. SRE and ARFF vehicles)

Professional Services - The emergence of different project delivery methods has created situations where Professional Service Agreements (PSA) includes tasks that meet the definition of construction, alteration or repair as defined in 29 CFR Part 5. If such tasks result in work that qualifies as construction, alteration or repair and it exceeds \$2,000, the PSA must incorporate this clause.

Property - Ordinarily, land acquisition projects would not involve employment of laborers or mechanics and thus the provision would not apply. However, land projects that involve installation of boundary fencing and demolition of structures would involve laborers and mechanics. The sponsor must include this provision if the land acquisition project involves employment of laborers or mechanics for a contract exceeding \$2,000.

Fencing Projects - Fencing projects that exceed \$2,000 must include this provision.

Use of Provision – 29 CFR Part 5 establishes specific language a sponsor must use. The sponsor may not make any modification to the standard language. A/E firms that employ laborers and mechanics on a task that meets the definition of construction, alteration or repair are acting as a contractor. The sponsor may not substitute the term “contractor” for “consultant” in such instances.

A10.3 CONTRACT CLAUSE

DAVIS-BACON REQUIREMENTS

1. Minimum Wages

(i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any

account (except such payroll deductions as are permitted by the Secretary of Labor under the Copeland Act (29 CFR Part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalent thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: *Provided*, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under (1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can easily be seen by the workers.

(ii)(A) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2) The classification is utilized in the area by the construction industry; and
- (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits where appropriate), the contracting officer shall

refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii) (B) or (C) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, *Provided*, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

2 Withholding.

The Federal Aviation Administration or the sponsor shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of work, all or part of the wages required by the contract, the Federal Aviation Administration may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

3. Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is

enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual costs incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the Federal Aviation Administration if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the Federal Aviation Administration. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (*e.g.*, the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/esa/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the Federal Aviation Administration if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to the Federal Aviation Administration, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

(B) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

- (1) That the payroll for the payroll period contains the information required to be provided under 29 CFR § 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR § 5.5 (a)(3)(i) and that such information is correct and complete;
- (2) That each laborer and mechanic (including each helper, apprentice and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations 29 CFR Part 3;
- (3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph (3)(ii)(B) of this section.

(D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph (3)(i) of this section available for inspection, copying or transcription by authorized representatives of the sponsor, the Federal Aviation Administration or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an

apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate that is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act Requirements.

The contractor shall comply with the requirements of 29 CFR Part 3, which are incorporated by reference in this contract.

6. Subcontracts.

The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR Part 5.5(a)(1) through (10) and such other clauses as the Federal Aviation Administration may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

7. Contract Termination: Debarment.

A breach of the contract clauses in paragraph 1 through 10 of this section may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance With Davis-Bacon and Related Act Requirements.

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes Concerning Labor Standards.

Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6 and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

10. Certification of Eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

A11 DEBARMENT AND SUSPENSION

A11.1 SOURCE

2 CFR part 180 (Subpart C)

2 CFR part 1200

DOT Order 4200.5

A11.2 APPLICABILITY

The sponsor must verify that the firm or individual that it is entering into a contract with are not presently suspended, excluded or debarred by any Federal department or agency from participating in federally-assisted projects. The sponsor accomplishes this by: (1) checking the System for Award Management (SAM.gov) to verify that the firm or individual is not listed in SAM.gov as being suspended, debarred or excluded, (2) collecting a certification from the firm or individual that they are not suspended, debarred or excluded, and (3) incorporating a clause in the contract that requires lower tier contracts to verify that no suspended, debarred or excluded firm or individual are included in the project.

Contract Types – This requirement applies to *covered transactions*, which are defined in 2 CFR part 180. AIP funded contracts are non-procurement transactions, as defined by §180.970. Covered transactions include any AIP-funded contract, regardless of tier, that is awarded by a contractor, subcontractor, supplier, consultant, or its agent or representative in any transaction, if the amount of the contract is expected to equal or exceed \$25,000. This includes contracts associated with land acquisition projects.

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s language must fully satisfy the requirements of 2 CFR part 180. For professional service agreements, sponsor may substitute bidder/offeror with consultant.

A11.3 CONTRACT CLAUSE

A11.3.1 Bidder or Offeror Certification

CERTIFICATION OF OFFERER/BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

A11.3.2 Lower Tier Contract Certification

CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds \$25,000 as a “covered transaction”, must verify each lower tier participant of a “covered transaction” under the project is not

presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

1. Checking the System for Award Management at website: <http://www.sam.gov>
2. Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension (Bidder or Offeror), above.
3. Inserting a clause or condition in the covered transaction with the lower tier contract

If the FAA later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

A12 DISADVANTAGED BUSINESS ENTERPRISE

A12.1 SOURCE

49 CFR part 26

A12.2 APPLICABILITY and PURPOSE

A sponsor that anticipates awarding \$250,000 or more in AIP funded prime contracts in a federal fiscal year must have an approved Disadvantaged Business Enterprise (DBE) program on file with the FAA Office of Civil Rights (§26.21). The approved DBE program will identify a 3-year overall program goal that the sponsor bases on the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on the project (§26.45).

Contract Types – Sponsors with a DBE program on file with the FAA must include the three following provisions, if applicable:

Clause in all solicitations for proposals for which a contract goal has been established.

Clause in each prime contract

Clause in solicitations that are obtaining DBE participation through race/gender neutral means.

Use of Provision –

1. Solicitations with a DBE Project Goal - 49 CFR §26.53 requires a sponsor's solicitation to address what a contractor must submit on proposed DBE participation. This language is not required for projects where DBE participation is by race-gender neutral means.

The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor's revised language must fully these requirements.

The sponsor may require the contractor's submittal on proposed DBE participation either with the bid or within a specified timeframe after bidding.

2. Contracts Covered by DBE Program - Sponsors must incorporate this language if they have a DBE program on file with the FAA. This includes projects where DBE participation is obtained through race-gender neutral means (i.e. no project goal). Sections §26.13 and §26.29 establish mandatory language for contractor assurance and prompt payment. The sponsor must not modify the language.
3. The regulation does not prescribe mandatory language. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor's revised language must fully these requirements for a sponsor that is not applying a project specific contract goal but is covered by a DBE program on file with the FAA.
4. Sponsors that do not have a DBE program on file with the FAA are not required to include DBE provisions and clauses.

A12.3 REQUIRED PROVISIONS

A12.3.1 Solicitation Language (Solicitations that include a Project Goal)

The Owner's award of this contract is conditioned upon Bidder or Offeror satisfying the good faith effort requirements of 49 CFR §26.53.

As a condition of bid responsiveness, the Bidder or Offeror must submit the following information with their proposal on the forms provided herein:

- (1) The names and addresses of Disadvantaged Business Enterprise (DBE) firms that will participate in the contract;
- (2) A description of the work that each DBE firm will perform;
- (3) The dollar amount of the participation of each DBE firm listed under (1)
- (4) Written statement from Bidder or Offeror that attests their commitment to use the DBE firm(s) listed under (1) to meet the Owner's project goal;
- (5) If Bidder or Offeror cannot meet the advertised project DBE goal; evidence of good faith efforts undertaken by the Bidder or Offeror as described in appendix A to 49 CFR Part 26.

[Note: Contract bid dates on or prior to December 31, 2016, use the following language]

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder or Offeror lists in their commitment. This Bidder or Offeror must submit the DBE's written confirmation of participation ["within 7 days after bid opening or "with the proposal documents as a condition of bid responsiveness"]

[Note: Contract bid dates after December 31, 2016, use the following language]

The successful Bidder or Offeror must provide written confirmation of participation from each of the DBE firms the Bidder(s) Offeror lists in their commitment. This Bidder or Offeror must submit the DBE's written confirmation of participation ["within 5 days after bid opening or "with the proposal documents as a condition of bid responsiveness"]

A12.3.2 Solicitation Language (Race/Gender Neutral Means)

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the [Insert Name of Owner] to practice nondiscrimination based on race, color, sex or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

A12.3.3 Prime Contracts (Projects covered by DBE Program)

DISADVANTAGED BUSINESS ENTERPRISES

Contract Assurance (§ 26.13) - The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

Prompt Payment (§26.29) - The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than {specify number} days from the receipt of each payment the prime contractor receives from {Name of recipient}. The prime contractor agrees further to return retainage payments to each subcontractor within {specify the same number as above} days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the {Name of Recipient}. This clause applies to both DBE and non-DBE subcontractors.

A13 DISTRACTED DRIVING

A13.1 SOURCE

Executive Order 13513

DOT Order 3902.10

A13.2 APPLICABILITY

The FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

Contract Types – Sponsors must insert this provision in all AIP funded contracts that exceed the micro-purchase threshold of 2 CFR §200.67 (currently set at \$3,500).

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s revised language must fully these requirements. .

A13.3 CONTRACT CLAUSE

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding \$3,500 and involve driving a motor vehicle in performance of work activities associated with the project.

A14 ENERGY CONSERVATION REQUIREMENTS

A14.1 SOURCE

2 CFR § 200, Appendix II(H)

A14.2 APPLICABILITY

The Energy Conservation Requirements found in 2 CFR § 200 Appendix II(H) requires this provision on energy efficiency.

Contract Types – The sponsor must include this provision in all AIP funded contracts and lower-tier contracts.

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s revised language must fully these requirements. Sponsor may substitute “contractor and subcontractor” with “consultant and sub-consultant” for professional service agreements.

A14.3 CONTRACT CLAUSE

ENERGY CONSERVATION REQUIREMENTS

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to energy efficiency as contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201*et seq*).

A15 EQUAL EMPLOYEMENT OPPORTUNITY (E.E.O.)

A15.1 SOURCE

2 CFR 200, Appendix II(C)

41 CFR § 60-1.4

41 CFR § 60-4.3

Executive Order 11246

A15.2 APPLICABILITY

The purpose of this provision is to provide equal opportunity for all persons, without regard to race, color, religion, sex, or national origin who are employed or seeking employment with contractors performing under a federally assisted construction contract. There are two provisions – a construction clause and a specification clause.

The equal opportunity contract clause must be included in any contract or subcontract when the amount exceeds \$10,000. Once the equal opportunity clause is determined to be applicable, the contract or subcontract must include the clause for the remainder of the year, regardless of the amount or the contract.

Contract Types –

Construction – The sponsor must incorporate contract and specification language in all construction contracts and subcontracts as required above.

Equipment - The sponsor must incorporate contract and specification language into all equipment contracts as required above that involves installation of equipment onsite (e.g. electrical vault equipment). This provision does not apply to equipment acquisition projects where the manufacture of the equipment takes place offsite at the vendor plant (e.g. ARFF and SRE vehicles)

Professional Services - The sponsor must include contract and specification language into all professional service agreements as required above. *Property* – The sponsor must include contract and specification language into all land acquisition projects that include work that qualifies as construction work as defined by 41 CFR part 60 as required above. An example is installation of boundary fencing.

Use of Provision – 41 CFR § 60-1.4 provides the mandatory contract language. 41 CFR § 60-4.3 provides the mandatory specification language. The sponsor must incorporate these clauses without modification.

A15.3 MANDATORY CONTRACT CLAUSE

A15.3.1 E.E.O. Contract Clause

EQUAL OPPORTUNITY CLAUSE

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identify or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the

administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: *Provided, however*, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

A15.3.2 EEO Specification

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS

1. As used in these specifications:

- a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;
- b. "Director" means Director, Office of Federal Contract Compliance Programs (OFCCP), U.S. Department of Labor, or any person to whom the Director delegates authority;
- c. "Employer identification number" means the Federal social security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941;
- d. "Minority" includes:
 - (1) Black (all) persons having origins in any of the Black African racial groups not of Hispanic origin);
 - (2) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin regardless of race);
 - (3) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
 - (4) American Indian or Alaskan native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors shall be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved plan is individually required to comply with its obligations under the EEO clause and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The contractor shall implement the specific affirmative action standards provided in paragraphs 7a through 7p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in a geographical area where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement nor the failure by a union with whom the contractor has a collective bargaining agreement to refer either minorities or women shall excuse the contractor's obligations under these specifications, Executive Order 11246 or the regulations promulgated pursuant thereto.

6. In order for the non-working training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees shall be employed by the contractor during the training period and the contractor shall have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees shall be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor's employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foremen, superintendents, and other onsite supervisory personnel are aware of and carry out the contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore along with whatever additional actions the contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or female sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under 7b above.

f. Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such as superintendents, general foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female, and community organizations, to schools with minority and female students; and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the contractor shall send written notification to organizations, such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth both on the site and in other areas of a contractor's workforce.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel, for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are non-segregated except that separate or single user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisor's adherence to and performance under the contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations, which assist in fulfilling one or more of their affirmative action obligations (7a through 7p). The efforts of a contractor association, joint contractor union, contractor community, or other similar groups of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through 7p of these specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor's and failure of such a group to fulfill an obligation shall not be a defense for the contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, if the particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally,) the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.

10. The contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who

fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government, and to keep records. Records shall at least include for each employee, the name, address, telephone number, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

A16 FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

A16.1 SOURCE

29 U.S.C. § 201, et seq

A16.2 APPLICABILITY

The United States Department of Labor (DOL) Wage and Hour Division administers the Fair Labor Standards Act (FLSA). This act prescribes federal standards for basic minimum wage, overtime pay, record keeping and child labor standards.

Contract Types – Per the Department of Labor, all employees of certain enterprises having workers engaged in interstate commerce, producing goods for interstate commerce, or handling, selling, or otherwise working on goods or materials that have been moved in or produced for such commerce by any person, are covered by the FLSA.

All consultants, sub-consultants, contractors and subcontractors employed under this federally assisted project must comply with the FLSA.

Professional Services – 29 CFR § 213 exempts employees in a bona fide executive, administrative or professional capacity. Because professional firms employ individuals that are not covered by this exemption, the sponsor's agreement with a professional services firm must include the FLSA provision.

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor's language must fully satisfy the requirements of 29 U.S.C. § 201. The sponsor must select *contractor* or *consultant*, as appropriate for the contract.

A16.3 CONTRACT CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The [*contractor / consultant*] has full responsibility to monitor compliance to the referenced statute or regulation. The [*contractor / consultant*] must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

A17 LOBBYING AND INFLUENCING FEDERAL EMPLOYEES

A17.1 SOURCE

31 U.S.C. § 1352 – Byrd Anti-Lobbying Amendment

2 CFR part 200, Appendix II(J)

49 CFR part 20, Appendix A

A17.2 APPLICABILITY

Consultants and contractors that apply or bid for an award of \$100,000 or more must certify that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or another award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

Contract Types – The sponsor must incorporate this provision into all contracts exceeding \$100,000.

Use of Provision – Appendix A to 49 CFR Part 20 prescribes language the sponsor must use. The sponsor must incorporate this provision without modification.

A17.3 CONTRACT CLAUSE

CERTIFICATION REGARDING LOBBYING

The bidder or offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

A18 PROHIBITION of SEGREGATED FACILITIES

A18.1 SOURCE

41 CFR § 60

A18.2 APPLICABILITY

The contractor must comply with the requirements of the E.E.O. clause by ensuring that facilities they provide for employees are free of segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin. This clause must be included in all contracts that include the equal opportunity clause, regardless of the amount of the contract.

Contract Types – AIP sponsors must incorporate the Prohibition of Segregated Facilities clause in any contract containing the Equal Employment Opportunity clause of 41 CFR §60.1. This obligation flows down to subcontract and sub-tier purchase orders containing the Equal Employment Opportunity clause.

Construction - Construction work means construction, rehabilitation, alteration, conversion, extension, demolition or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.

Equipment – On site installation of equipment such as airfield lighting control equipment meets the definition of construction and thus this provision would apply. This provision does not apply to equipment projects involving manufacture of the item at a vendor’s manufacturing plant. An example would be the manufacture of a SRE or ARFF vehicle.

Professional Services - Professional services that include tasks that qualify as construction work as defined by 41 CFR part 60. Examples include the installation of noise monitoring equipment.

Property/Land - Land acquisition contracts that include tasks that qualify as construction work as defined by 41 CFR part 60. Examples include demolition of structures or installation of boundary fencing.

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s language must fully satisfy the requirements of 41 CFR § 60.

A18.3 CONTRACT CLAUSE

PROHIBITION of SEGREGATED FACILITIES

(a) The Contractor agrees that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The Contractor agrees that a breach of this clause is a violation of the Equal Opportunity clause in this contract.

(b) “Segregated facilities,” as used in this clause, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, sex, or national origin because of written or oral policies or employee custom. The term does not include separate or single-user rest rooms or necessary dressing or sleeping areas provided to assure privacy between the sexes.

(c) The Contractor shall include this clause in every subcontract and purchase order that is subject to the Equal Opportunity clause of this contract.

A19 OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

A19.1 SOURCE

20 CFR part 1910

A19.2 APPLICABILITY

Contract Types – All contracts and subcontracts must comply with the Occupational Safety and Health Act of 1970 (OSH). The United States Department of Labor Occupational Safety & Health Administration (OSHA) oversees the workplace health and safety standards wage provisions from OSH.

Use of Provision – The regulation does not prescribe mandatory language. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s language must fully satisfy the requirements of 20 CFR part 1910.

A19.3 CONTRACT CLAUSE

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor’s compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

A20 PROCUREMENT OF RECOVERED MATERIALS

A20.1 SOURCE

2 CFR § 200.322

40 CFR part 247

A20.2 APPLICABILITY

Sponsors of AIP funded development and equipment projects must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. Section 6002 emphasizes maximizing energy and resource recovery through use of affirmative procurement actions for recovered materials identified in the EPA guidelines.

The requirements of § 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

Contract Types – This provision applies to any contracts that include procurement of products where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000.

Construction and Equipment – Include this provision in all construction and equipment projects

Professional Services and Property – Include this provision if the agreement includes procurement of a product that exceeds \$10,000

Use of Provision – The regulation does not prescribe mandatory language. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor's language must fully satisfy the requirements of 2 CFR § 200.

A20.3 CONTRACT CLAUSE

Procurement of Recovered Materials

Contractor and subcontractor agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the Contractor and subcontractors are to use of products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

- a) The contract requires procurement of \$10,000 or more of a designated item during the fiscal year; or,
- b) The contractor has procured \$10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/epawaste/consERVE/tools/cpg/products/.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the contractor can demonstrate the item is:

- a) Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
- b) Fails to meet reasonable contract performance requirements; or
- c) Is only available at an unreasonable price.

A21 RIGHT TO INVENTIONS

A21.1 SOURCE

2 CFR § 200, Appendix II(F)

37 CFR §401

A21.2 APPLICABILITY

Contract Types – This provision applies to all contracts and subcontracts with small business firms or nonprofit organizations that includes performance of *experimental, developmental, or research work*. This clause is not applicable to construction, equipment or professional service contracts unless the contract includes *experimental, developmental or research work*.

Use of Provision – The regulation does not prescribe mandatory language. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s language must fully satisfy the requirements of Appendix II to 2 CFR part 200.

A21.3 CONTRACT CLAUSE

RIGHTS TO INVENTIONS

Contracts or agreements that include the performance of experimental, developmental, or research work must provide for the rights of the Federal Government and the Owner in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within in the 37 CFR §401.14. Contractor must include this requirement in all sub-tier contracts involving experimental, developmental or research work.

A22 SEISMIC SAFETY

A22.1 SOURCE

49 CFR part 41

A22.2 APPLICABILITY

Contract Types – This provision applies to construction of new buildings and additions to existing buildings financed in whole or in part through the Airport Improvement Program.

Professional Services and Construction – Sponsor must incorporate this clause in any contract involved in the construction of new buildings or structural addition to existing buildings.

Equipment – Sponsor must include this provision if the project involves construction or structural addition to a building such as an electrical vault project.

Land – This provision will not typically apply to a property/land project.

Use of Provision – The regulation does not prescribe mandatory language. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s language must fully satisfy the requirements of 49 CFR part 41.

A22.3 CONTRACT CLAUSE

A22.3.1 Professional Service Agreements for Design

Seismic Safety

In the performance of design services, the Consultant agrees to furnish a building design and associated construction specification that conform to a building code standard which provides a level of seismic safety substantially equivalent to standards as established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their building code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety. At the conclusion of the design services, the Consultant agrees to furnish the Owner a “certification of compliance” that attests conformance of the building design and the construction specifications with the seismic standards of NEHRP or an equivalent building code.

A22.3.2 Construction Contracts

Seismic Safety

The contractor agrees to ensure that all work performed under this contract, including work performed by subcontractors, conforms to a building code standard that provides a level of seismic safety substantially equivalent to standards established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety.

A23 TERMINATION OF CONTRACT

A23.1 SOURCE

2 CFR § 200 Appendix II(B)

FAA Advisory Circular 150/5370-10, Section 80-09

A23.2 APPLICABILITY

Contract Types – All contracts and subcontracts in excess of \$10,000 must address *termination for cause* and *termination for convenience* by the sponsor. The provision must address the manner (i.e. notice, opportunity to cure, and effective date) by which the sponsor’s contract will be affected and the basis for settlement (i.e. incurred expenses, completed work, profit, etc.).

Use of Provision –

Termination for Default - Section 80-09 of FAA Advisory Circular 150/5370-10 establishes standard language for Termination for Default under a construction contract. The sponsor must not make any changes to this standard language.

Termination for Convenience – The sponsor must include a clause for termination for convenience. The following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor’s language must fully satisfy the requirements of Appendix II to 2 CFR part 200.

Equipment, Professional Services and Property – The sponsor may use their established clause language provided that it adequately addresses the intent of Appendix II(B) to Part 200, which addresses termination for fault and for convenience.

A23.3 CONTRACT CLAUSE

A23.3.1 Termination for Convenience

Termination for Convenience (Construction & Equipment Contracts)

The Owner may terminate this contract in whole or in part at any time by providing written notice to the Contractor. Such action may be without cause and without prejudice to any other right or remedy of Owner. Upon receipt of a written notice of termination, except as explicitly directed by the Owner, the Contractor shall immediately proceed with the following obligations regardless of any delay in determining or adjusting amounts due under this clause:

1. Contractor must immediately discontinue work as specified in the written notice.
2. Terminate all subcontracts to the extent they relate to the work terminated under the notice.
3. Discontinue orders for materials and services except as directed by the written notice.
4. Deliver to the owner all fabricated and partially fabricated parts, completed and partially completed work, supplies, equipment and materials acquired prior to termination of the work and as directed in the written notice.
5. Complete performance of the work not terminated by the notice.

6. Take action as directed by the owner to protect and preserve property and work related to this contract that Owner will take possession.

Owner agrees to pay Contractor for:

- a) completed and acceptable work executed in accordance with the contract documents prior to the effective date of termination;
- b) documented expenses sustained prior to the effective date of termination in performing work and furnishing labor, materials, or equipment as required by the contract documents in connection with uncompleted work;
- c) reasonable and substantiated claims, costs and damages incurred in settlement of terminated contracts with Subcontractors and Suppliers; and
- d) reasonable and substantiated expenses to the contractor directly attributable to Owner's termination action

Owner will not pay Contractor for loss of anticipated profits or revenue or other economic loss arising out of or resulting from the Owner's termination action.

The rights and remedies this clause provides are in addition to any other rights and remedies provided by law or under this contract.

Termination for Convenience (Professional Services)

The Owner may, by written notice to the Consultant, terminate this Agreement for its convenience and without cause or default on the part of Consultant. Upon receipt of the notice of termination, except as explicitly directed by the Owner, the Contractor must immediately discontinue all services affected.

Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

A23.3.2 Termination for Default

Termination for Default (Construction)

Section 80-09 of FAA Advisory Circular 150/5370-10 establishes conditions, rights and remedies associated with Owner termination of this contract due default of the Contractor.

Termination for Default (Equipment)

The Owner may, by written notice of default to the Contractor, terminate all or part of this Contract if the Contractor:

1. Fails to commence the Work under the Contract within the time specified in the Notice- to- Proceed;
2. Fails to make adequate progress as to endanger performance of this Contract in accordance with its terms;

3. Fails to make delivery of the equipment within the time specified in the Contract, including any Owner approved extensions;
4. Fails to comply with material provisions of the Contract;
5. Submits certifications made under the Contract and as part of their proposal that include false or fraudulent statements;
6. Becomes insolvent or declares bankruptcy;

If one or more of the stated events occur, the Owner will give notice in writing to the Contractor and Surety of its intent to terminate the contract for cause. At the Owner's discretion, the notice may allow the Contractor and Surety an opportunity to cure the breach or default.

If within [10] days of the receipt of notice, the Contractor or Surety fails to remedy the breach or default to the satisfaction of the Owner, the Owner has authority to acquire equipment by other procurement action. The Contractor will be liable to the Owner for any excess costs the Owner incurs for acquiring such similar equipment.

Payment for completed equipment delivered to and accepted by the Owner shall be at the Contract price. The Owner may withhold from amounts otherwise due the Contractor for such completed equipment, such sum as the Owner determines to be necessary to protect the Owner against loss because of Contractor default.

Owner will not terminate the Contractor's right to proceed with the Work under this clause if the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such acceptable causes include: acts of God, acts of the Owner, acts of another Contractor in the performance of a contract with the Owner, and severe weather events that substantially exceed normal conditions for the location.

If, after termination of the Contractor's right to proceed, the Owner determines that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the Owner issued the termination for the convenience the Owner.

The rights and remedies of the Owner in this clause are in addition to any other rights and remedies provided by law or under this contract.

Termination for Default (Professional Services)

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

- a) **Termination by Owner:** The Owner may terminate this Agreement in whole or in part, for the failure of the Consultant to:
 1. Perform the services within the time specified in this contract or by Owner approved extension;
 2. Make adequate progress so as to endanger satisfactory performance of the Project;

3. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

Upon receipt of the notice of termination, the Consultant must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

If, after finalization of the termination action, the Owner determines the Consultant was not in default of the Agreement, the rights and obligations of the parties shall be the same as if the Owner issued the termination for the convenience of the Owner.

b) **Termination by Consultant:** The Consultant may terminate this Agreement in whole or in part, if the Owner:

1. Defaults on its obligations under this Agreement;
2. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
3. Suspends the Project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the Consultant, Owner agrees to cooperate with Consultant for the purpose of terminating the agreement or portion thereof, by mutual consent. If Owner and Consultant cannot reach mutual agreement on the termination settlement, the Consultant may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon the Owner's breach of the contract.

In the event of termination due to Owner breach, the Engineer is entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the Consultant through the effective date of termination action. Owner agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

A24 TRADE RESTRICTION CERTIFICATION

A24.1 SOURCE

49 USC § 50104

49 CFR part 30

A24.2 APPLICABILITY

Unless waived by the Secretary of Transportation, sponsors may not use AIP funds on a product or service from a foreign country included in the current list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (U.S.T.R)

Contract Types – The trade restriction certification and clause applies to all AIP funded projects.

Use of Provision – 49 CFR part 30 prescribes the language for this model clause. The sponsor must include this certification language in all contracts and subcontracts without modification.

A24.3 CONTRACT CLAUSE

TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror -

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (U.S.T.R.);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the U.S.T.R; and
- c. has not entered into any subcontract for any product to be used on the Federal on the project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

- (1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R. or
- (2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such U.S.T.R. list or
- (3) who incorporates in the public works project any product of a foreign country on such U.S.T.R. list;

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by U.S.T.R, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

A25 VETERAN'S PREFERENCE

A25.1 SOURCE

49 USC § 47112(c)

A25.2 APPLICABILITY

Contract Types – This provision applies to all AIP funded projects that involve labor to carry out the project. This preference, which excludes executive, administrative and supervisory positions, applies to covered veterans (as defined under §47112(c)) only when they are readily available and qualified to accomplish the work required by the project.

Use of Provision – The regulation does not prescribe mandatory language, the following language is acceptable to the FAA and meets the intent of this requirement. If the sponsor uses different language, the sponsor's language must fully satisfy the requirements of 49 U.S.C. § 47112.

A25.3 CONTRACT CLAUSE

VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.



BURLINGTON INTERNATIONAL AIRPORT

TO: Burlington International Airport, Board of Commissioners
City of Burlington, Board of Finance
City of Burlington, City Council

FROM: Burlington International Airport Staff
Nic Longo, Director of Planning and Development

DATE: January 17, 2017

SUBJECT: Advance Towing & Repair, LLC – 3090 Williston Road

The Burlington International Airport (BTV) seeks Airport Board of Commissioners approval and recommendation to the City of Burlington Board of Finance and City Council for a lease with Advance Towing and Repair, LLC for a building and associated grounds. The Airport also requests Board of Finance approval and Recommendation to City Council, as well as City Council Authorization for the lease of this property.

The Airport owns a property in South Burlington at 3090 Williston Road. This property was most recently rented to an auto repair and used car business until their recent vacancy. We have worked diligently in an open and transparent process to find a fitting match in this facility, and Advance Towing and Repair has been working with us to occupy this space. Their operations would consist of a full service auto sales, towing, and repair station.

The lease will be for an approximately 3,000 square foot building with associated parking lot. The building has been vacant for over approximately 6 months with the airport diligently working with various partners and commercial real estate companies to occupy. The Airport feels this is a great match for both entities. Rental terms are as follows: May 1, 2017, \$30,000 annually, with annual escalations of 2% for the remainder of the term. The initial term is 1 year, with an additional 1 year option, agreeable by both parties. This lease is triple net; all utilities, taxes, and other costs will be forwarded to the new tenant. Advance Auto has also committed to receiving the building in an “as-is” condition, and will incorporate capital improvements within the building, which will remain after their tenancy.

Attached, please find a draft lease agreement as well as the location of the building for Airport Commission and Board of Finance approval and recommendation to City Council, as well as City Council authorization to enter into lease agreement with Advance Towing and Repair, LLC.

1200 Airport Drive, #1
South Burlington, Vermont 05403

Phone: (802) 863-2874 (TTY)
Fax: (802) 863-7947

Thank you for your continued support.

LEASE AGREEMENT

THIS LEASE AGREEMENT is executed this ____ day of _____, 2017, by and between the City of Burlington, a municipal corporation in the State of Vermont (hereinafter called "Lessor" or "City"), and Advance Towing and Repair, LLC, a limited liability company authorized to do business in the State of Vermont (hereinafter called "Lessee").

WITNESSETH:

WHEREAS, Lessor owns and operates an airport known as the Burlington International Airport located in South Burlington, Vermont, which airport and any additions or improvements thereto or changes therein which the City hereafter makes or authorizes are hereinafter collectively called the "Airport"; and

WHEREAS, Lessor wishes to enter into a lease for a certain portion of lands and improvements it owns, in the interest of furthering and carrying on its purpose in the operation of the Airport and in the public interest and the interest of public airport purposes.

WHEREAS, Lessee desires to lease certain premises owned by Lessor on/near the Airport as hereinafter described, together with certain rights and privileges in connection therewith;

NOW THEREFORE, for and in consideration of the premises and of the mutual covenants and promises herein contained, the parties hereby covenant and agree as follows:

1. PREMISES. - Lessor hereby leases to Lessee for its exclusive use, and Lessee hereby hires and takes from Lessor, the building known as 3090 Williston Road, South Burlington, Vermont, as shown on the plan or sketch attached hereto and marked Exhibit "A" and hereby specifically made a part hereof, together with a portion of the parking lot/area, as shown on the plan attached hereto, to have and to hold the said premises (collectively referred to hereinafter as the "Leased Premises") with the appurtenances thereto belonging, together with all improvements, if any, therein upon the terms and conditions hereinafter provided.

2. TERM - The term of this Agreement shall be two (2) years and shall be deemed to have commenced on February ____, 2017 and shall end on _____ ____, 2019. This Agreement shall be subject to termination by either Lessor or Lessee, at either party's sole discretion, on not less than Ninety (90) days advance written notice.

3. RENTAL - For and during the term hereof, Lessee shall pay Lessor the following annual rentals for the use and occupancy of the Leased Premises, in equal monthly installments in advance, on or before the fifth business day of each calendar month of the term, at the office of the Director of Aviation, Burlington International Airport, 1200 Airport Drive # 1, South Burlington, Vermont 05403.

Year 1: \$30,000 annually (\$2,500 monthly)

Year 2: \$30,600 annually (\$2,550 monthly)

4. Renewals – Provided Lessee is not in default of lease terms and conditions further described and subject to the prior approval of the Burlington International Airport, Director of Aviation I.e., in advance of each renewal), Lessee has the right to renew the lease agreement with the same conditions for one additional year, with an annual escalator of two (2) percent. The annual and monthly lease rates for the renewal term are as follows:

Year 3: \$31,212 annually (\$2,601 monthly)

If the term of this Lease shall begin or end on any day of the month other than the first (1st) day, the rent for the month in which this Lease shall commence or terminate shall be pro-rated on a per diem basis.

Any rental amount payable which shall not have been paid when due shall

bear interest at the rate of one and a half percent (1 1/2%) per month, which interest shall be paid by Lessee in addition to such amount.

5. USE OF PREMISES

The Leased Premises shall be used and occupied solely as an automobile towing and repair station. Without limiting the foregoing, but merely by way of example, Lessee shall not use any portion of the Leased Premises to conduct any operations that will compete with any other businesses presently leasing from Lessor, with one example being the operation of a long-term parking facility for Airport customers. Any and all business uses must be approved in advance by the Director of Aviation to ensure that it will not affect the business of the Airport in a negative way.

6. AGREEMENT SUBORDINATE - This Agreement shall be subject and subordinate to the following:

- a. Lessor reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of Lessor, would limit the usefulness of the Airport or constitute a hazard to aircraft;
- b. The provisions of any existing or any future agreement between Lessor and the State of Vermont and/or the United States of America relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State Funds for the development of the Airport;
- c. Lessor's right, during time of war or national emergency to lease the landing facilities or any part thereof, or to otherwise permit the use thereof on an exclusive basis, by the United States of America or the State of Vermont for military use; the provisions of this

Agreement, to the extent that they are inconsistent with these superior rights, shall be suspended during any such period.

7. LESSEE OBLIGATIONS - Lessee covenants and agrees at its own expense:

- a. This Lease Agreement is contingent upon Lessee receiving all federal, state and local approvals required for the operation of an auto Repair and Towing facility.
- b. To pay the rent and other charges herein reserved at such times and places as the same are payable;
- c. To furnish to the Leased Premises and to pay all charges for telephone service, sewage service, storm water, trash and/or hazardous waste removal, snow removal and janitorial service, water, electric power, heat, gas, air conditioning and other public utilities of every kind;
- d. To keep and maintain all parts of the Leased Premises, including related and associated appurtenances, in good condition, order and repair during the term of this Agreement, including but not limited to painting, lighting, removal of snow and garbage, landscaping, replacement of broken glass with glass the same size and quality of that broken, installed and operating equipment, and utility services. All maintenance shall be subject to general monitoring by Lessor to insure a continuing high quality of appearance commensurate with maintenance and safety standards of the Airport. Lessee shall not be responsible for maintenance and repair of any portion of utility lines which are located outside of the building in which the demised premises are located, unless such repair is required as the result of an act or omission of Lessee, its representatives, employees, agents, or contractors. Lessor shall be responsible for the maintenance and repair of the structure of the building, including the roof, foundation and exterior portions, unless such repair required as is the result of an act or omission of Lessee, its representative's employees, agents, or contractors.

e. To observe and comply with any and all present and future requirements of the constituted public authority and with all federal, state or local statutes, ordinances, regulations, standards, conditions and agreements applicable to Lessee for its use of the Leased Premises, including, but not limited to, ordinances, rules and regulations promulgated from time to time by or at the direction of Lessor for the administration of the Airport; at its own expense to submit to and comply with the requirements of all state and federal regulatory agencies or municipal boards having jurisdiction over the construction of any fixed improvements on the Leased Premises, including, but not limited to, any Environmental Board or Board of Health; and at its own expense to comply with the standards for accessible design known as the Americans with Disabilities Act Accessibility Guidelines in connection with any new construction or alteration of the Leased Premises. Lessee shall bear the burden of this obligation regardless of whether any such Agency or Board shall require that Lessor be the applicant of record;

f. Lessee shall carry comprehensive general liability insurance with responsible insurance underwriters, qualified to transact business in the State of Vermont, insuring Lessee and Lessor, as their interests may appear, against all legal liability for injuries to persons (including wrongful death) and damages to property caused by Lessee's use and occupancy of the Leased Premises or otherwise caused by Lessee's activities or operations thereon (including any act or omission by Lessee, its agents, employees, or contractors, resulting in the release of hazardous substances as defined in paragraph 12 below) with liability limits of not less than \$3,000,000 for any one person, and not less than \$5,000,000 for any accident involving injury (including wrongful death) to more than one person and not less than \$5,000,000 for property damage resulting from any one accident. In addition, Lessee shall maintain fire, casualty, worker's compensation, business interruption (in sufficient amounts so as to enable Lessee to meet its rent obligations), flood and other appropriate types of

coverage with insurers acceptable to Lessor, in such amounts as are acceptable to Lessor including hazard and extended coverage covering all leasehold improvements (excluding building, parking lot and utilities), chattels, furniture, fixtures, machinery and equipment located on the premises. Such policies shall name Lessor as additional insured. Such policies shall also contain a standard or "New York" loss payable clause and shall provide for at least thirty (30) days prior written notification to Lessor of any termination, cancellations or material modification of such policies. Lessee shall, within ten (10) days after the execution of this Lease Agreement, furnish Lessor with certificates of such insurance, which shall provide that Lessor is an insured under said policy. Thereafter, Lessee shall furnish Lessor with certificates of such insurance at no less than six month intervals during the term of this Lease Agreement. Lessor shall have the right to examine such insurance policies upon reasonable notice to Lessee.

g. To pay directly to the taxing authority any and all personal property inventory taxes or assessments which may be assessed against the Leased Premises and its contents during the term hereof or any renewal term.

h. To commit no actionable waste or nuisance upon the Leased Premises and shall not do or permit to be done anything which may result in the creation, commission or maintenance of any such waste or nuisance on said premises or the Airport.

To erect, construct, install, or make, or cause to be erected, constructed, installed, or made, all improvements on or to the Leased Premises which are deemed fit or proper for the conduct of its business. All additions or improvements shall be subject to the prior written consent of Lessor, said consent not to be unreasonably withheld. All new construction and alterations of the Leased Premises shall be at the expense of Lessee and must comply with the standards for accessible design known as the

Americans with Disabilities Act Accessibility Guidelines. All improvements or alterations erected or made to the premises shall on expiration or sooner termination of this Agreement belong to Lessor without compensation to Lessee.

i. To observe and comply with any and all present and future security regulations and procedures and operational procedures promulgated from time to time by or at the direction of Lessor for the administration of the Airport.

j. That the management, maintenance and operation of the Leased Premises shall at all times be under the supervision and direction of an active, qualified, competent representative of Lessee, and Lessee shall identify its representative, and any successor, in writing to Lessor.

k. To properly handle, remove and dispose of any and all lubricants and/or hazardous waste and to maintain the demised premises in a clean and safe condition.

8. LESSOR OBLIGATIONS - Lessor shall:

a. Lessor is responsible for all property taxes associated with 3090 Williston Road, South Burlington, Vermont, for the term of the lease agreement.

9. ENTRY OF PREMISES - Lessor, and its authorized officers, employees, agents, contractors, sub-contractors and other representatives, shall have the right to enter upon the Leased Premises for the following purposes:

a. To inspect the Leased Premises at reasonable intervals during regular business hours (or at any time in case of emergency) to determine whether Lessee has complied and is complying with the terms and conditions of this Lease Agreement and Lessee shall provide the Director of Aviation with serviceable keys to all of its facilities so as to permit the exercise of Lessor's rights hereunder; To perform essential maintenance, repair, relocation or removal of

existing underground or overhead wires, pipes, drains, cables and conduits now located on or across the Leased Premises, and to construct, maintain, repair, relocate and remove such facilities in the future if necessary to carry out the master plan of development of the Airport provided, however, that said work shall in no event disrupt or unduly interfere with the operations of Lessee. Nothing herein shall be construed to impose upon Lessor any obligations so to construct or maintain or to make repairs, replacements, alterations or additions, or shall create any liability for any failure to do so. Lessee is and shall be in exclusive possession of the Leased Premises and Lessor shall not in any event be liable for any damage to the premises or to any property of Lessee or of any other persons located in or thereupon, other than to repair or remedy such damage as may be occasioned by negligence of Lessor, its employees or agents.

10. INDEMNIFICATION - Lessee shall indemnify and save harmless Lessor, its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns, individually or collectively, from and against all liability for any fines, claims, suits, liens, demands, actions or cause of action of any kind and nature for personal injury, death or property damage in any way arising out of or resulting from any activity or operation of Lessee on the Leased Premises or the Airport, and Lessee further agrees to pay all expenses in defending against any such claims made against Lessor, its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns, individually or collectively, provided, however, that Lessee shall not be liable for any injury, damage or loss occasioned by the sole negligence or willful misconduct of the Lessor its officers, agents and employees, including the Board of Airport Commissioners of the City of Burlington, their successors and assigns. Lessee shall give prompt and timely notice to Lessor (and copying the City of Burlington at:

Attention: City Attorney, City Hall, Burlington, VT 05401) of any claim made or suit instituted which, in any way, directly or indirectly contingently or otherwise, affects or may affect Lessor.

12. HAZARDOUS WASTES

a. Lessee at its own expense shall properly handle, remove and dispose of any and all lubricants and/or hazardous waste and/or hazardous substances and shall maintain the Leased Premises in a clean and safe condition.

b. Lessee unconditionally, absolutely and irrevocably indemnifies and agrees to defend and hold harmless Lessor from and against all loss, cost and expense (including, without limitation, attorney's fees) of whatever nature suffered or incurred by Lessor on account of the existence on the Leased Premises, or the release or discharge from the Leased Premises, of hazardous substances resulting from any act or omission of Lessee, its employees, agents, or contractors," including, without limitation, any claims, costs, losses, liabilities and expenses arising from the violation (or claimed violation) of any environmental laws or the institution of any action by any party against Lessor or the Leased Premises based upon nuisance, negligence or other tort theory alleging liability due to the improper generation, storage, disposal, removal, transportation or treatment of hazardous substances or the imposition of a lien on any part of the Leased Premises under the Comprehensive Environmental Response Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended ("CERCLA"), or any other laws pursuant to which a lien may be imposed due to the existence of hazardous substances. Lessee further unconditionally, absolutely, and irrevocably guarantees the payment of any fees and expenses incurred by Lessor in enforcing or seeking enforcement of the liability of Lessee under this indemnification. Lessee shall not be required to indemnify and/or hold harmless Lessor for any loss, cost or expense resulting from any "hazardous

substances," the presence of which predates Lessee's entry on/into the premises.

For the purposes of this Section, "hazardous substances" shall mean and include, but shall not be limited to, any element, substance, compound or mixture, including disease-causing agents, which after release into the environment or work place and upon exposure, ingestion, inhalation or assimilation into any organism, either directly or indirectly, will or may reasonably be anticipated to cause death, disease, behavioral abnormalities, cancer, genetic mutation, physiological malfunctions, including malfunctions in reproduction or physical deformations in such organisms or their offsprings, and all hazardous and toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, asbestos and raw materials which include hazardous constituents), or any other similar substances, or materials which are included under or regulated by any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, CERCLA, and regulations adopted pursuant to such Acts, the Toxic Substances Control Act of 1976, as heretofore or currently in effect ("TSCA") and the Resource Conservation and Recovery Act of 1976, as heretofore or currently in effect (RCRA").

13. QUIET ENJOYMENT - Lessor represents and warrants to Lessee as follows:

a. It has lawful possession of the Leased Premises and good and lawful authority to execute this instrument;

b. Throughout the term hereof, Lessee may have, hold and enjoy peaceful and uninterrupted possession of the Leased Premises and rights herein leased and granted, subject to performance by Lessee of its obligations herein.

14. LESSOR CANCELLATION RIGHTS - Lessor shall have the right, upon thirty (30) days' advance written notice to Lessee, to cancel this Lease Agreement in its entirety, upon or

after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. If Lessee shall fail for thirty (30) days after the due date to pay the rental charges or other money payments required by this Lease Agreement;

b. If Lessee shall default in fulfilling any of the other terms or conditions of this Lease Agreement and shall fail to remedy said default within thirty (30) days following Lessee's receipt of written demand from Lessor to do so except that if the nature of such default is such that it cannot be remedied within said thirty (30) days, then Lessor shall have the right to cancel if Lessee shall have failed to commence remedying such default within said thirty (30) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If Lessee or any sublessee shall voluntarily abandon and discontinue the conduct and operation of its service at the Airport for a continuous period of sixty (60) days.

d. If the fixed improvements upon the leased premises shall be totally destroyed or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition.

15. LESSEE CANCELLATION RIGHTS – In addition to what is set forth in Section 2 above, Lessee shall have the right, upon thirty (30) days' advance written notice to Lessor, to cancel this Lease Agreement in its entirety upon or after the happening of one or more of the following events, if said event(s) shall then be continuing:

a. The issuance by any court of competent jurisdiction of an injunction, order or decree preventing or restraining the use by Lessee of all or any substantial part of the Leased Premises or preventing or restraining the use of the Airport for usual Airport purposes in its entirety, or the use of any part thereof which may be used by Lessee and which is necessary for Lessee's operations on the Airport, which remains in force, unvacated or unstayed for a

period of at least sixty (60) days;

b. Lessor's default in the performance of any of the terms or conditions imposed upon it by this Lease Agreement and its failure to cure such default within a period of sixty (60) days following Lessor's receipt of written demand from Lessee to do so, except that, if the nature of such default is such that it cannot be cured within said sixty (60) days, then Lessee shall have the right to cancel if Lessor shall have failed to commence remedying such default within sixty (60) days or, having so commenced, shall fail thereafter to continue with diligence the curing thereof;

c. If the fixed improvements upon the Leased Premises shall be totally destroyed, or so extensively damaged that it would be impracticable or uneconomical to restore the same to their previous condition, Lessee may opt to cancel the Lease Agreement if the building is not restored to functional within 30 days. Rent will be "per diem" abated for any days the building is not reasonably functional.

d. In the event of destruction of all or a material portion of the Airport or the Airport facilities, or in the event that any agency or instrumentality of the federal or any state or local government shall occupy the Airport or a substantial part thereof, or in the event of military mobilization or public emergency wherein there is a curtailment, either by executive decree or legislative action of normal civilian traffic at the Airport or of the use of airplanes by the general public, and any of said events shall result in material interference with Lessee's normal operations continuing for a period in excess of sixty (60) days.

16. LIENS - Lessee shall cause to be removed any and all mechanic's or materialman's liens of any nature arising out of or because of any construction performed by Lessee upon the Leased Premises or arising out of or because of the performance of any work or labor upon or the

furnishing of any materials for use at the Leased Premises, by or at the direction of Lessee within reasonable time not to exceed six (6) months from the completion of any such construction.

17. FORCE MAJEURE - Neither Lessor nor Lessee shall be deemed in violation of this Lease Agreement if it is prevented from performing any of its obligations hereunder by reason of acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which is not under its control, and the party experiencing force majeure gives written notice to the other party identifying the nature of such force majeure, and when it began. The party experiencing force majeure shall take immediate action to attempt to remove such causes of force majeure as may occur from time to time and its operations under this Lease Agreement shall be resumed immediately after such cause has been removed, provided that neither party shall be required to settle any labor dispute except upon terms that party deems acceptable. The suspension of any obligations under this section shall not cause the term of this Lease Agreement to be extended and shall not affect any rights accrued under this Lease Agreement prior to the occurrence of the force majeure. The party giving notice of the force majeure shall also give notice of its cessation.

18. RELOCATION BY LESSOR - In the event that proper, planned and orderly development of the Airport shall require that Lessor devote any part of the Leased Premises to a different use than that contemplated by this Lease Agreement, Lessor shall have the right, upon sixty (60) days' advance written notice to Lessee and without cost or expense to Lessee to relocate all or part of the Leased Premises. Said relocated premises shall be of no less area, as conveniently located as is reasonable considering all demands for space at the Airport and shall be replacement premises of the same or substantially similar quality as those premises vacated. All of Lessee's fixed improvements shall, without cost or expense to Lessee, be relocated or

replaced on said relocated premises. All terms and conditions of this Lease Agreement, except the property description in Paragraph 1, shall apply to said relocated premises.

19. TITLE TO IMPROVEMENTS - Upon expiration of this Lease Agreement, by cancellation or termination of the lease term, all fixed improvements made upon the Leased Premises by Lessee shall become a part of the realty and remain on the Leased Premises as the property of the City of Burlington subject to any lease or other agreements between Lessor and the City of Burlington.

20. ASSIGNMENT - Lessee shall not assign, sublet, or otherwise transfer any interest in this Lease or sublet any part of the Leased Premises.

21. NONDISCRIMINATION

a. Lessee agrees that in the exercise of any of the rights and privileges herein granted for the furnishing of any services to the public that it will:

1. Furnish any such service on an fair, equal, and non-discriminatory basis to all users thereof, and
2. Charge fair, reasonable, and not unjustly discriminatory prices for any such unit or service; provided that Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

b. It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of Federal Aviation Act of 1958.

c. Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination

in the use of said facilities, (2) that in the construction of any improvements on, over or under said land and the furnishing of services hereon, no person on the grounds of race, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations Department of Transportation, Subtitle A, Office of the Secretary Part 21 Non-Discrimination in Federally-assisted programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

That in the event of breach of any of the above non-discrimination covenants, Lessor shall have the right to terminate this Agreement and to re-enter and repossess said land and facilities thereon, and hold the same as if said Agreement had never been made or issued.

d. Lessee assures that it will undertake an affirmative action program as required by 14 C.F.R., Part 152 Subpart E, to insure that no persons shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 C.F.R., Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by the subpart. Lessee assures that it will require that its covered suborganizations (if any) provide assurances to Lessor that they similarly will undertake affirmative action programs.

e. No acceptance by Lessor of rentals, fees, charges or other payments in whole or in part. for any period or periods after a default of any of the terms, covenants, and conditions hereof, to be performed, kept or observed by Lessee, shall be deemed a waiver of any right on the part of Lessor to terminate this Lease Agreement.

f. A waiver by Lessor of any default of Lessee, or by Lessee of any default by Lessor.

in the performance of any of the covenants, terms or conditions of this Lease Agreement shall not be deemed or considered to be a waiver of any other matter, and the various rights, powers, privileges, options and remedies of Lessor and Lessee herein contained shall be cumulative, and no one of them shall be deemed to be exclusive of any other, or exclusive of any rights, powers, privileges, options or remedies provided by law.

g. All covenants, stipulations and agreements in this Lease Agreement shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

h. This Lease Agreement shall not be varied in its terms by any oral agreement or representation, or otherwise than by an instrument in writing of subsequent date hereto executed by both parties by their respective officers or other persons duly authorized.

i. In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either Lessor or Lessee in their respective rights and obligations contained in the valid terms, covenants or conditions hereof. The sectional or paragraph headings throughout this Lease Agreement are for the convenience of Lessor and Lessee and are not intended nor shall they be used to construe the intent of this Lease Agreement or any part hereof, or to modify, amplify, or aid in the interpretation or construction of any of the provisions hereof.

j. The language in all parts of this Lease Agreement shall in all cases be construed simply according to its fair meaning and not strictly construed against Lessor, it being stipulated and agreed that Lessee participated in the drafting hereof. This Lease Agreement shall be construed and performance thereof shall be determined in accordance with the laws of the State of Vermont.

IN WITNESS WHEREOF, the parties have caused these presents to be executed by their respective officer or representative thereunto duly authorized, the day and year first above written.

CITY OF BURLINGTON

Witness

BY: _____
Gene Richards,
Director of Aviation

Witness

ADVANCE TOWING AND REPAIR, LLC

Witness

BY: _____
Duly Authorized

Witness

PERSONAL GUARANTY

I, _____, hereby personally guaranty the performance by
ADVANCE TOWING AND REPAIR, LLC, of all Lessee's obligations and duties as set
forth in this Lease Agreement.

James Falkenbush

STATE OF VERMONT
COUNTY OF CHITTENDEN, SS.

Dated at Burlington, Vermont, this ___ day of _____, 2017, personally
appeared Gene Richards, Director of Aviation, Burlington International Airport, and
acknowledged the foregoing instrument by him signed and sealed to be his free act and
deed and the free act and deed of the City of Burlington.

Before me, _____
Notary Public

My Commission Expires: _____

STATE OF _____

COUNTY OF _____, SS.

Dated at _____, this ____ day of _____, 2016, personally appeared _____, and acknowledged the foregoing instrument by him signed and sealed to be his free act and deed and the free act and deed of Advance Towing and Repair, LLC..

Before me, _____
Notary Public

My Commission Expires: _____

BURLINGTON INTERNATIONAL AIRPORT BOARD OF AIRPORT COMMISSIONERS MEETING PROCEDURES AND RULES

1. Establishment: The board of airport commissioners is created by Burlington City Charter Article 84, Section 276 (a)(1)(A). The board “shall consist of four legal voters of said city to be appointed by the city council with the Mayor presiding to serve three years and until their successors are appointed and qualified.”

Section (a)(1)(B) provides that “In addition, so long as the public aviation field and municipal airport is located within the limits of the City of South Burlington, the board of airport commissioners shall likewise consist of one legal voter of said city of South Burlington to be appointed by the governing body thereof to serve for three years until a successor is appointed and qualified.”

2. Responsibilities: The city council “shall have the exclusive general management and control of all lands owned or leased and used by the city for the purpose of a municipal airport, and of all buildings, property and equipment of the city therein” and “the director of aviation shall have special and immediate care and practical supervision of the airport department subject to the authority of the mayor.” Burlington City Charter Article 84, Section 276 (a)(2) and (c).

The board of airport commissioners is an advisory body to the city council and director of aviation with the responsibility to provide advice to the director of aviation and the city council on airport matters unless delegated specific powers by resolution of the city council. Burlington City Charter Article 84, Section 276 (a)(3).

3. Meetings: Regular meetings of the board shall take place on the third Monday of each month. If any regularly scheduled meeting falls on a legal holiday, that meeting shall be held on another day to be determined. The board may also meet for special or emergency sessions at the request of the director of aviation or the chair, upon the written request to the director by two (2) or more members of the board, or by majority vote at a regular meeting. Notice of all meetings shall be provided as required by the Vermont Open Meeting Law (Appendix A) and all meetings shall be conducted under Roberts Rules of Order.

4. Place of meeting: All regularly scheduled as well as special or emergency meetings shall be held at the Airport Conference Meeting Room #1. To accommodate the public or in special circumstances, the director of aviation or the board chair may choose an alternate meeting place for any such meeting. Notice of changes to the time and place of all meeting shall be in accordance with the Vermont Open Meeting Law.

5. Time and content of meetings: Regularly scheduled meetings covering the topics listed on the meeting agenda shall begin at 3:00 p.m. unless the board, by majority vote of those present at the meeting where the topic is being discussed, sets a different starting time. Any matters on the meeting agenda not acted upon at the time of adjournment shall be placed on the agenda of the next meeting.

6. Officers; Attendance: At the first meeting of the fiscal year for the board, to occur in July, the board shall elect officers, including a chair and a vice-chair. Each member of the board is expected to attend each meeting. Attendance and participation in meetings via electronic medium is permitted. In the event a member cannot attend a meeting however, she or he, in advance of the meeting, shall notify the director of aviation or the chair of the upcoming absence.

7. Meeting Agenda: The director of aviation, in consultation with the board chair, shall prepare the agenda for all board meetings. Members are encouraged to suggest to the director of aviation and chair appropriate agenda items and to do so in a timely fashion. Members shall suggest agenda items to the director of aviation at least five calendar days before the up-coming meeting, and once the meeting agenda is set and published, amendments shall be made only by two-thirds vote of the board present at the meeting. Documents supporting meeting agenda items shall be sent to board members not less than two calendar days before the meeting.

8. Conduct of board members: The chair of the board shall moderate all meetings pursuant to Roberts Rules. In the absence of the chair, the vice-chair shall assume the duties of the chair. Board members are encouraged to participate in the discussion of agenda items as appropriate and when recognized by the chair. Side conversations and speaking without recognition from the chair are to be avoided.

9. Minutes: The director of aviation shall be responsible for maintaining the official record and minutes of each board meeting.

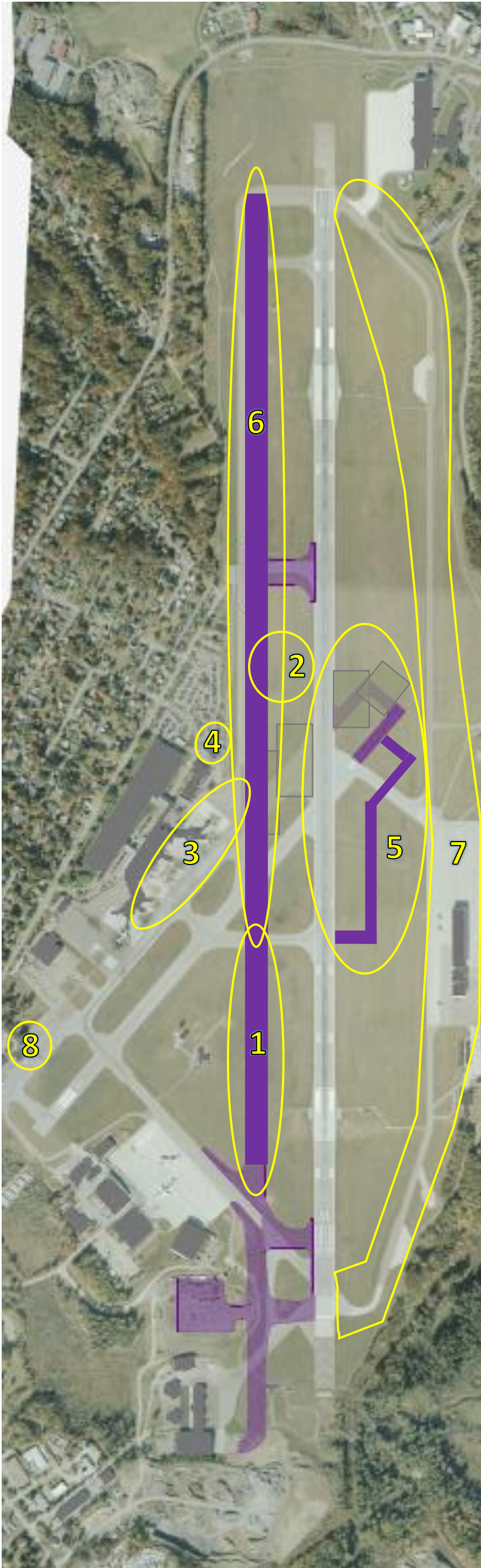
10. Public participation: The minutes of all meetings shall be made available to the public in accordance with the Vermont Open Meeting Law. The public is encouraged to attend all meetings of the board and to participate in orderly fashion as determined by the chair. During Public Forum, there shall be no dialogue or debate with the board unless otherwise determined by the chair or majority vote of the board.

11. Committees: The board, through the chair, may establish sub-committees to consider specific topics or issues as appropriate and if so, the chair shall have the authority to appoint said committee members.

12. Rules Changes: These rules may be changed by a majority vote of board members at any meeting where the issue has been previously noticed as required by the Vermont Open Meeting Law.

13. Effective date: These rules become effective 30 days after approval by the board.

Construction Update Report



Open Projects

- 1. Taxiway K Construction.** Taxiway K was opened for use in mid-July! There are a few more items to do under this construction contract with respect to revised signage and pavement markings on the south end of Taxiway K, which will occur early in the 2017 construction season. These final work tasks resulted from discussions during the 2016 Runway Safety Action Team meeting, and the Taxiway K project was a great opportunity to fund the work through the AIP Program. The work includes some sign and pavement marking changes and will result in a new Taxiway P.
- 2. North Glycol System Upgrades.** Our stormwater system at BTV is inspected on a regular basis. One of the recommendations that came out of those inspections was to upgrade our North Glycol System, which is not operating up to current standards and regulations. The upgrades include a new concrete holding tank and larger pipes and pumps to accommodate more treatment capacity for stormwater runoff. The project started August 29th and we expect the work to be completed by the end of January, weather permitting. The project required the closure of Taxiway G for 10 calendar days, which started on October 5th.

Future Projects

- 3. Air Carrier Apron Rehabilitation, Phases 3 - 9.** Rehabilitating the Air Carrier Apron adjacent to the Terminal Building is planned in 9 phases, with phase 2 occurring in 2015. We requested funding for Phase 3 and 4 this year and FAA approved the full request! The grant offer, however, came so late in Federal Fiscal Year 2016, that work had to be delayed until March or April 2017. The project will continue throughout the entire 2017 construction season.
- 4. Quick Turn-Around Facility.** Car Rental Companies at BTV currently utilize a car wash facility just north of the Air Traffic Control Tower to wash, fuel, and maintain their fleet of vehicles. Included in the Car Rental Company Agreement that was updated and executed in 2015 was a breakdown of how a portion of the Customer Facility Charges will be used to build a new Quick Turn-around Facility (QTA) to replace the existing, outdated car wash facility. The design of the facility is complete, and permit approvals have been obtained. The bid process will begin as soon as we have approval from BTV and the car rental companies on the construction process.
- 5. Taxiway B Extension.** The “sea of pavement” is a colloquial term that has been tossed around to label the intersection of Taxiway A and Runway 15-33, which has vast amounts of pavement. This intersection is dangerous for smaller aircrafts that essentially get lost in the “sea of pavement”. FAA has asked BTV to expedite a project that will mitigate this safety concern. On August 27th, 2015, about 20 airport stakeholders, including BTV, Air Guard, FAA, Army Guard, Air Traffic Control, and the State Airports Director, attended an intensive planning session hosted by BTV to discuss design alternatives for relocating Taxiway A. Based on the discussion, we selected one alternative and made comments on the design. The design for this project is complete and permit applications have been approved. The project is expected to begin in late summer of 2017.
- 6. Taxiway G Realignment.** Realigning Taxiway G will be the final phases of the overall project to create a parallel taxiway for Runway 15-33. The first phase is Taxiway K, which is listed above in the open projects section. Taxiway G will be constructed in segments, and will likely take 2 or 3 years to complete. Construction is scheduled for 2017-2019 and we are currently working on the design and permits. The construction schedule will overlap with Taxiway B extension, so coordination between the projects is essential.
- 7. Vermont Air National Guard.** VTANG is widening and reconstructing their apron, as well as Taxiways Delta and Foxtrot from 2016 to 2018. Demolition work associated with Taxiway F began in October 2016.
- 8. Relocating the Airport Beacon.** During the annual FAA Part 139 Certification Inspection in September 2016, it was noted that the airport beacon was not up to current standards and regulations. The number of rotations per minute is too low and some trees in the adjacent cemetery are potentially blocking the beacon. BTV is planning to replace the existing beacon with a new beacon that meets current regulations. This is considered maintenance work as we are not changing the height or location of the beacon, just upgrading to a new apparatus.

Burlington International Airport
 Passenger and Operational Statistics
November 2016



**Data not Audited	<u>November 2016</u>	<u>November 2015</u>	<u>% Change</u>	<u>FY2017 YTD</u>	<u>FY2016 YTD</u>	<u>% Change</u>
Enplaned Passengers	46,359	46,470	-0.24%	277,525	269,168	3.10%
Deplaned Passengers	45,653	46,166	-1.11%	273,975	266,755	2.71%
Total Passengers	92,012	92,636	-0.67%	551,500	535,923	2.91%
Departing Load Factor	81%	80%		84%	86%	
Departing Seat Capacity (Actual)	56,905	58,449	-2.64%	330,517	314,239	5.18%
Total Cargo Tonnage Enplaned	175					
Total Cargo Tonnage Deplaned	269					
Total Landed Weight	56,486,325	59,229,784	-4.63%	330,956,557	329,003,076	0.59%
FY Commercial Landings	820	781	4.99%	4,609	4,546	1.39%
FY Cancellations	7	5	40.00%	82	84	-2.38%
FY Canceled Seats	370	358	3.35%	4,740	5,482	-13.54%

**Data not audited

One Month Behind on Reporting:

	<u>November 2016</u>	<u>November 2015</u>		<u>FY2017 YTD</u>	<u>FY2016 YTD</u>	<u>% Change</u>
Air Carriers	1023	1030	-0.7%	4904	5605	-12.5%
Air Taxi	1462	854	71.2%	6928	5525	25.4%
General Aviation	2026	1295	56.4%	10923	9804	11.4%
Military	355	322	10.2%	2261	1422	59.0%
Total BTV Operations	4,866	3,501	39.0%	25,016	22,356	11.9%

*** Data from FAA Air Traffic Activity Data System

Air Carrier: Seating Capacity of more than 60 seats or a max payload capacity of more than 18,000 pounds

Air Taxi: Maximum seating capacity of 60 seats or a max payload capacity of less than 18,000 pounds

General Aviation: Takeoffs and Landings of all civil aircraft, except those classified as air carrier or air taxi

Military: All classes of military takeoffs and landings

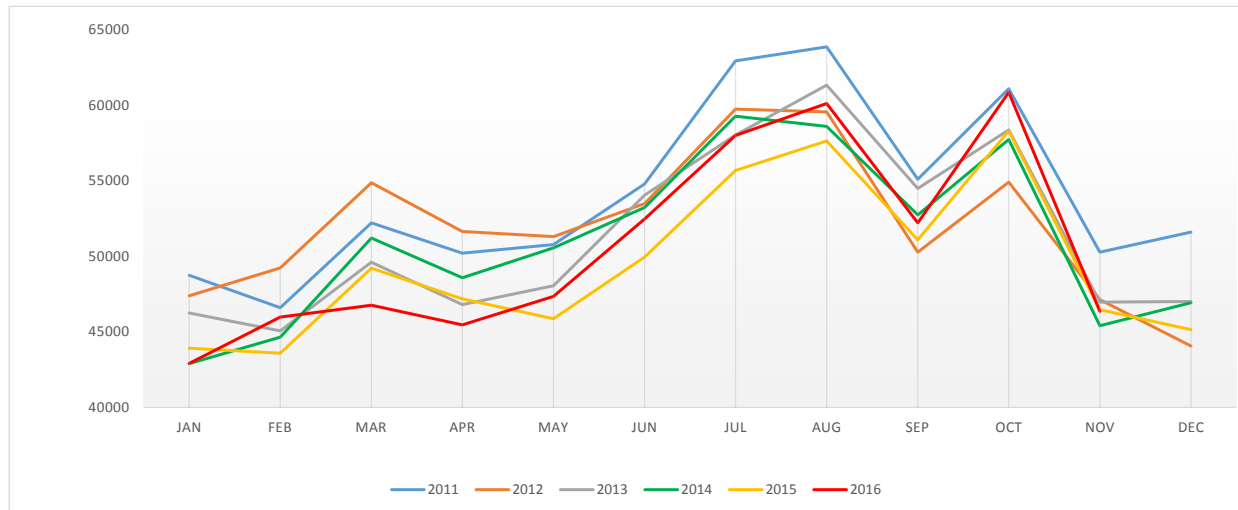
Burlington International Airport
 Passenger and Operational Statistics
November 2016



BTV Enplaned Passengers

C Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2011	48,746	46,600	52,206	50,211	50,774	54,792	62,931	63,860	55,103	61,092	50,279	51,601	648,195
2012	47,388	49,226	54,871	51,642	51,309	53,491	59,740	59,557	50,273	54,916	47,126	44,065	623,604
2013	46,256	45,066	49,605	46,804	48,058	54,039	58,027	61,325	54,487	58,359	46,967	47,013	616,006
2014	42,901	44,650	51,210	48,583	50,555	53,224	59,273	58,601	52,737	57,727	45,416	46,928	611,805
2015	43,916	43,589	49,215	47,184	45,872	49,944	55,684	57,629	51,089	58,296	46,470	45,153	594,041
2016	42,913	45,975	46,759	45,467	47,350	52,466	57,997	60,108	52,211	60,850	46,359		

2011 YTD	48,746	95,346	147,552	197,763	248,537	303,329	366,260	430,120	485,223	546,315	596,594	648,195
2012 YTD	47,388	96,614	151,485	203,127	254,436	307,927	367,667	427,224	477,497	532,413	579,539	623,604
2013 YTD	46,256	91,322	140,927	187,731	235,789	289,828	347,855	409,180	463,667	522,026	568,993	616,006
2014 YTD	42,901	87,551	138,761	187,344	237,899	291,123	350,396	408,997	461,734	519,461	564,877	611,805
2015 YTD	43,916	87,505	136,720	183,904	229,776	279,720	335,404	393,033	444,122	502,418	548,888	594,041
2016 YTD	42,913	88,888	135,647	181,114	228,464	280,930	338,927	399,035	451,246	512,096	558,455	



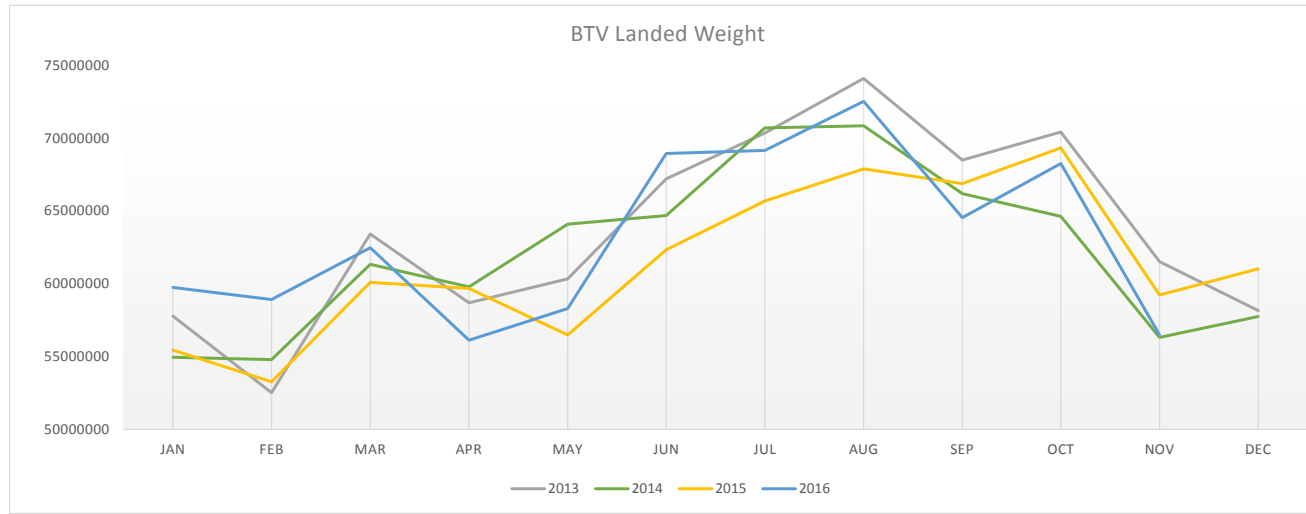
Airline	November 2016	November 2015	% Change	2017 Share	FY2017 YTD	FY2016 YTD	% Change	17 YTD Share
United	15,440	14,646	5%	33.3%	100,089	87,307	15%	36.1%
American	12,493	12,446	0%	26.9%	76,325	71,418	7%	27.5%
Delta	9,487	10,365	-8%	20.5%	54,882	61,726	-11%	19.8%
Jetblue	7,838	7,860	0%	16.9%	42,204	43,351	-3%	15.2%
Porter	-	-	0%	0.0%	-	-	#DIV/0!	0.0%
Allegiant	1,101	1,153	-5%	2.4%	4,025	5,366	-25%	1.5%
Subtotal	46,359	46,470	-0.24%	100%	277,525	269,168	3.10%	100%

Burlington International Airport
 Passenger and Operational Statistics
November 2016



BTV Landed Weight

Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2013	57,778,031	52,523,030	63,421,699	58,688,306	60,341,100	67,198,278	70,353,853	74,095,109	68,495,860	70,425,455	61,521,452	58,160,119	763,002,292
2014	54,953,876	54,793,326	61,338,283	59,783,921	64,096,128	64,682,726	70,702,546	70,844,351	66,186,099	64,626,169	56,324,271	57,747,440	746,079,136
2015	55,444,310	53,270,336	60,105,714	59,673,095	56,481,915	62,334,588	65,677,274	67,889,959	66,876,985	69,329,074	59,229,784	61,031,736	737,344,770
2016	59,752,887	58,922,944	62,472,419	56,126,273	58,299,349	68,943,708	69,153,418	72,522,917	64,540,095	68,253,802	56,486,325		



Airline	November 2016	November 2015	% Change	2016 Share	2017 YTD	2016 YTD	% Change	17 YTD Share
American	14,899,996	15,953,800	-7%	26.4%	88,232,393	88,461,117	0%	26.7%
United	15,728,912	16,090,985	-2%	27.8%	101,630,196	90,860,923	12%	30.7%
Delta	10,990,700	13,052,623	-16%	19.5%	65,177,100	71,329,867	-9%	19.7%
JetBlue	8,723,396	8,678,198	1%	15.4%	47,769,434	49,068,792	-3%	14.4%
Allegiant	1,268,990	1,263,594	0%	2.2%	4,228,545	5,363,054	-21%	1.3%
Porter	-	-	0%	0.0%	-	-		0.0%
Federal Expr	4,158,000	3,762,000	11%	7.4%	20,988,000	21,186,000	-1%	6.3%
Wiggins	716,331	428,584	67%	1.3%	2,930,889	2,733,323	7%	0.9%
Total	56,486,325	59,229,784	-5%	100%	330,956,557	329,003,076	1%	100%

Date Completed			5/12/2016	7/18-7/23	6/14/2016	8/15-8/20	7/14/2016	9/12-9/17	8/11/2016	11/14-11/19	9/9/2016	12/12-12/17	10/7/2016	1/16-1/21	11/15/2016	2/13-2/18
FROM:	TO Destination:	Code	\$	Difference	\$	Difference	\$	Difference	\$	Difference	\$	Difference	\$	Difference	\$	Difference
BTV	Washington, D.C. National	DCA	\$ 369.00		\$ 365.00		\$ 234.00		\$ 207.00		\$ 307.00		\$ 207.00		\$ 207.00	
MHT			\$ 263.00	\$ 106.00	\$ 277.00	\$ 88.00	\$ 254.00	\$ (20.00)	\$ 238.00	\$ (31.00)	\$ 252.00	\$ 55.00	\$ 238.00	\$ (31.00)	\$ 211.00	\$ (4.00)
ALB			\$ 318.00	\$ 51.00	\$ 322.00	\$ 43.00	\$ 258.00	\$ (24.00)	\$ 211.00	\$ (4.00)	\$ 228.00	\$ 79.00	\$ 239.00	\$ (32.00)	\$ 213.00	\$ (6.00)
YUL			\$ 446.00	\$ (77.00)	\$ 327.00	\$ 38.00	\$ 297.00	\$ (63.00)	\$ 320.00	\$ (113.00)	\$ 305.00	\$ 2.00	\$ 321.00	\$ (114.00)	\$ 301.00	\$ (94.00)
BTV	Baltimore, MD	BWI	\$ 466.00		\$ 432.00		\$ 432.00		\$ 438.00		\$ 338.00		\$ 465.00		\$ 348.00	
MHT			\$ 456.00	\$ 10.00	\$ 392.00	\$ 40.00	\$ 283.00	\$ 149.00	\$ 345.00	\$ 93.00	\$ 387.00	\$ (49.00)	\$ 328.00	\$ 137.00	\$ 228.00	\$ 120.00
ALB			\$ 294.00	\$ 172.00	\$ 309.00	\$ 123.00	\$ 268.00	\$ 164.00	\$ 346.00	\$ 92.00	\$ 283.00	\$ 55.00	\$ 305.00	\$ 160.00	\$ 242.00	\$ 106.00
YUL			\$ 334.00	\$ 132.00	\$ 343.00	\$ 89.00	\$ 321.00	\$ 111.00	\$ 346.00	\$ 92.00	\$ 269.00	\$ 69.00	\$ 317.00	\$ 148.00	\$ 252.00	\$ 96.00
BTV	Washington Dulles, VA	IAD	\$ 500.00		\$ 417.00		\$ 234.00		\$ 212.00		\$ 287.00		\$ 227.00		\$ 297.00	
MHT			\$ 520.00	\$ (20.00)	\$ 496.00	\$ (79.00)	\$ 330.00	\$ (96.00)	\$ 260.00	\$ (48.00)	\$ 320.00	\$ (33.00)	\$ 348.00	\$ (121.00)	\$ 330.00	\$ (33.00)
ALB			\$ 297.00	\$ 203.00	\$ 365.00	\$ 52.00	\$ 326.00	\$ (92.00)	\$ 248.00	\$ (36.00)	\$ 289.00	\$ (2.00)	\$ 203.00	\$ 24.00	\$ 213.00	\$ 84.00
YUL			\$ 321.00	\$ 179.00	\$ 416.00	\$ 1.00	\$ 294.00	\$ (60.00)	\$ 254.00	\$ (42.00)	\$ 305.00	\$ (18.00)	\$ 254.00	\$ (27.00)	\$ 307.00	\$ (10.00)
BTV	Las Vegas, NV	LAS	\$ 482.00		\$ 466.00		\$ 392.00		\$ 475.00		\$ 390.00		\$ 427.00		\$ 300.00	
MHT			\$ 427.00	\$ 55.00	\$ 434.00	\$ 32.00	\$ 407.00	\$ (15.00)	\$ 356.00	\$ 119.00	\$ 368.00	\$ 22.00	\$ 381.00	\$ 46.00	\$ 435.00	\$ (135.00)
ALB			\$ 530.00	\$ (48.00)	\$ 519.00	\$ (53.00)	\$ 407.00	\$ (15.00)	\$ 439.00	\$ 36.00	\$ 378.00	\$ 12.00	\$ 421.00	\$ 6.00	\$ 351.00	\$ (51.00)
YUL			\$ 400.00	\$ 82.00	\$ 370.00	\$ 96.00	\$ 361.00	\$ 31.00	\$ 373.00	\$ 102.00	\$ 358.00	\$ 32.00	\$ 388.00	\$ 39.00	\$ 473.00	\$ (173.00)
BTV	Chicago, IL	ORD	\$ 438.00		\$ 444.00		\$ 312.00		\$ 440.00		\$ 502.00		\$ 382.00		\$ 348.00	
MHT			\$ 354.00	\$ 84.00	\$ 387.00	\$ 57.00	\$ 263.00	\$ 49.00	\$ 280.00	\$ 160.00	\$ 393.00	\$ 109.00	\$ 187.00	\$ 195.00	\$ 317.00	\$ 31.00
ALB			\$ 409.00	\$ 29.00	\$ 405.00	\$ 39.00	\$ 339.00	\$ (27.00)	\$ 307.00	\$ 133.00	\$ 339.00	\$ 163.00	\$ 401.00	\$ (19.00)	\$ 259.00	\$ 89.00
YUL			\$ 339.00	\$ 99.00	\$ 404.00	\$ 40.00	\$ 279.00	\$ 33.00	\$ 267.00	\$ 173.00	\$ 257.00	\$ 245.00	\$ 232.00	\$ 150.00	\$ 237.00	\$ 111.00
BTV	JFK, NY	JFK	\$ 236.00		\$ 221.00		\$ 137.00		\$ 197.00		\$ 217.00		\$ 142.00		\$ 184.00	
MHT			\$ 450.00	\$ (214.00)	\$ 466.00	\$ (245.00)	\$ 339.00	\$ (202.00)	\$ 384.00	\$ (187.00)	\$ 332.00	\$ (115.00)	\$ 354.00	\$ (212.00)	\$ 405.00	\$ (221.00)
ALB			\$ 420.00	\$ (184.00)	\$ 495.00	\$ (274.00)	\$ 332.00	\$ (195.00)	\$ 381.00	\$ (184.00)	\$ 362.00	\$ (145.00)	\$ 369.00	\$ (227.00)	\$ 435.00	\$ (251.00)
YUL			\$ 272.00	\$ (36.00)	\$ 339.00	\$ (118.00)	\$ 254.00	\$ (117.00)	\$ 254.00	\$ (57.00)	\$ 243.00	\$ (26.00)	\$ 188.00	\$ (46.00)	\$ 261.00	\$ (77.00)
BTV	LaGuardia, NY	LGA	\$ 342.00		\$ 213.00		\$ 187.00		\$ 231.00		\$ 142.00		\$ 127.00		\$ 148.00	
MHT			\$ 318.00	\$ 24.00	\$ 391.00	\$ (178.00)	\$ 214.00	\$ (27.00)	\$ 333.00	\$ (102.00)	\$ 326.00	\$ (184.00)	\$ 221.00	\$ (94.00)	\$ 266.00	\$ (118.00)
ALB			\$ 432.00	\$ (90.00)	\$ 396.00	\$ (183.00)	\$ 400.00	\$ (213.00)	\$ 402.00	\$ (171.00)	\$ 402.00	\$ (260.00)	\$ 385.00	\$ (258.00)	\$ 414.00	\$ (266.00)
YUL			\$ 268.00	\$ 74.00	\$ 287.00	\$ (74.00)	\$ 256.00	\$ (69.00)	\$ 256.00	\$ (25.00)	\$ 231.00	\$ (89.00)	\$ 172.00	\$ (45.00)	\$ 170.00	\$ (22.00)
BTV	Detroit, MI	DTW	\$ 604.00		\$ 643.00		\$ 369.00		\$ 528.00		\$ 675.00		\$ 254.00		\$ 673.00	
MHT			\$ 391.00	\$ 213.00	\$ 349.00	\$ 294.00	\$ 274.00	\$ 95.00	\$ 334.00	\$ 194.00	\$ 481.00	\$ 194.00	\$ 230.00	\$ 24.00	\$ 351.00	\$ 322.00
ALB			\$ 653.00	\$ (49.00)	\$ 407.00	\$ 236.00	\$ 341.00	\$ 28.00	\$ 349.00	\$ 179.00	\$ 603.00	\$ 72.00	\$ 508.00	\$ (254.00)	\$ 540.00	\$ 133.00
YUL			\$ 406.00	\$ 198.00	\$ 479.00	\$ 164.00	\$ 348.00	\$ 21.00	\$ 612.00	\$ (84.00)	\$ 602.00	\$ 73.00	\$ 592.00	\$ (338.00)	\$ 600.00	\$ 73.00
BTV	Newark, NJ	EWR	\$ 535.00		\$ 386.00		\$ 180.00		\$ 219.00		\$ 172.00		\$ 162.00		\$ 127.00	
MHT			\$ 416.00	\$ 119.00	\$ 391.00	\$ (5.00)	\$ 344.00	\$ (164.00)	\$ 417.00	\$ (198.00)	\$ 427.00	\$ (255.00)	\$ 213.00	\$ (51.00)	\$ 290.00	\$ (163.00)
ALB			\$ 424.00	\$ 111.00	\$ 434.00	\$ (48.00)	\$ 351.00	\$ (171.00)	\$ 369.00	\$ (150.00)	\$ 383.00	\$ (211.00)	\$ 342.00	\$ (180.00)	\$ 363.00	\$ (236.00)
YUL			\$ 283.00	\$ 252.00	\$ 209.00	\$ 177.00	\$ 207.00	\$ (27.00)	\$ 224.00	\$ (5.00)	\$ 292.00	\$ (120.00)	\$ 324.00	\$ (162.00)	\$ 217.00	\$ (90.00)
BTV	Atlanta, GA	ATL	\$ 527.00		\$ 453.00		\$ 180.00		\$ 473.00		\$ 487.00		\$ 487.00		\$ 529.00	
MHT			\$ 417.00	\$ 110.00	\$ 362.00	\$ 91.00	\$ 265.00	\$ (85.00)	\$ 371.00	\$ 102.00	\$ 537.00	\$ (50.00)	\$ 267.00	\$ 220.00	\$ 407.00	\$ 122.00
ALB			\$ 427.00	\$ 100.00	\$ 335.00	\$ 118.00	\$ 346.00	\$ (166.00)	\$ 319.00	\$ 154.00	\$ 531.00	\$ (44.00)	\$ 335.00	\$ 152.00	\$ 516.00	\$ 13.00
YUL			\$ 377.00	\$ 150.00	\$ 381.00	\$ 72.00	\$ 495.00	\$ (315.00)	\$ 378.00	\$ 95.00	\$ 520.00	\$ (33.00)	\$ 450.00	\$ 37.00	\$ 478.00	\$ 51.00
BTV	Orlando/Sanford, FL ***	SFB	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
MHT			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
ALB			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
YUL			\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
BTV	Fort Lauderdale, FL	FLL	\$ 346.00		\$ 352.00		\$ 312.00		\$ 328.00		\$ 314.00		\$ 303.00		\$ 294.00	
MHT			\$ 358.00	\$ (12.00)	\$ 295.00	\$ 57.00	\$ 217.00	\$ 95.00	\$ 291.00	\$ 37.00	\$ 248.00	\$ 66.00	\$ 251.00	\$ 52.00	\$ 278.00	\$ 16.00
ALB			\$ 270.00	\$ 76.00	\$ 252.00	\$ 100.00	\$ 146.00	\$ 166.00	\$ 216.00	\$ 112.00	\$ 196.00	\$ 118.00	\$ 177.00	\$ 126.00	\$ 166.00	\$ 128.00
YUL			\$ 279.00	\$ 67.00	\$ 277.00	\$ 75.00	\$ 349.00	\$ (37.00)	\$ 305.00	\$ 23.00	\$ 291.00	\$ 23.00	\$ 292.00	\$ 11.00	\$ 253.00	\$ 41.00
BTV	Denver, CO	DEN	\$ 602.00		\$ 563.00		\$ 382.00		\$ 431.00		\$ 426.00		\$ 365.00		\$ 349.00	
MHT			\$ 530.00	\$ 72.00	\$ 478.00	\$ 85.00	\$ 397.00	\$ (15.00)	\$ 410.00	\$ 21.00	\$ 366.00	\$ 60.00	\$ 312.00	\$ 53.00	\$ 386.00	\$ (37.00)
ALB			\$ 444.00	\$ 158.00	\$ 439.00	\$ 124.00	\$ 388.00	\$ (6.00)	\$ 393.00	\$ 38.00	\$ 378.00	\$ 48.00	\$ 394.00	\$ (29.00)	\$ 256.00	\$ 93.00
YUL			\$ 361.00	\$ 241.00	\$ 367.00	\$ 196.00	\$ 379.00	\$ 3.00	\$ 365.00	\$ 66.00	\$ 441.00	\$ (15.00)	\$ 424.00	\$ (59.00)	\$ 395.00	\$ (46.00)
BTV	Los Angeles, CA	LAX	\$ 638.00		\$ 538.00		\$ 414.00		\$ 458.00		\$ 474.00		\$ 423.00		\$ 370.00	
MHT			\$ 506.00	\$ 132.00	\$ 541.00	\$ (3.00)	\$ 368.00	\$ 46.00	\$ 404.00	\$ 54.00	\$ 475.00	\$ (1.00)	\$ 282.00	\$ 141.00	\$ 366.00	\$ 4.00
ALB			\$ 495.00	\$ 143.00	\$ 462.00	\$ 76.00	\$ 377.00	\$ 37.00	\$ 435.00	\$ 23.00	\$ 475.00	\$ (1.00)	\$ 423.00	\$ -	\$ 414.00	\$ (44.00)
YUL			\$ 422.00	\$ 216.00	\$ 401.00	\$ 137.00	\$ 446.00	\$ (32.00)	\$ 394.00	\$ 64.00	\$ 461.00	\$ 13.00	\$ 514.00	\$ (91.00)	\$ 525.00	\$ (155.00)
BTV	Charlotte, NC	CLT	\$ 312.00		\$ 323.00		\$ 270.00		\$ 261.00		\$ 270.00		\$ 321.00		\$ 426.00	
MHT			\$ 281.00	\$ 31.00	\$ 287.00	\$ 36.00	\$ 241.00	\$ 29.00	\$ 308.00	\$ (47.00)	\$ 269.00	\$ 1.00	\$ 279.00	\$ 42.00	\$ 228.00	\$ 198.00
ALB			\$ 311.00	\$ 1.00	\$ 277.00	\$ 46.00	\$ 339.00	\$ (69.00)	\$ 283.00	\$ (22.00)	\$ 283.00	\$ (13.00)	\$ 283.00	\$ 38.00	\$ 352.00	\$ 74.00
YUL			\$ 446.00	\$ (134.00)	\$ 445.00	\$ (122.00)	\$ 483.00	\$ (213.00)	\$ 464.00	\$ (203.00)	\$ 452.00	\$ (182.00)	\$ 371.00	\$ (50.00)	\$ 389.00	\$ 37.00
Cumulative Average Difference				\$ 62.80		\$ 32.00		\$ (32.84)		\$ 10.07		\$ (7.44)		\$ (14.20)		\$ (6.44)
MHT Average Difference			MHT	\$ 47.33	MHT	\$ 18.00	MHT	\$ (10.73)	MHT	\$ 11.13	MHT	\$ (12.00)	MHT	\$ 26.73	MHT	\$ 6.80
ALB Average Difference			ALB	\$ 44.87	ALB	\$ 26.60	ALB	\$ (38.87)	ALB	\$ 13.33	ALB	\$ (8.60)	ALB	\$ (32.87)	ALB	\$ (8.93)
YUL Average Difference			YUL	\$ 96.20	YUL	\$ 51.40	YUL	\$ (48.93)	YUL	\$ 5.73	YUL	\$ (1.73)	YUL	\$ (36.47)	YUL	\$ (17.20)

True Cost Calculator Based on \$50,00 Income

Date Completed			10/7/2016	1/16-1/21	11/15/2016	2/13-2/18	1/13/2017	3/13-3/18
FROM:	TO Destination:	Code	\$	Difference	\$	Difference	\$	Difference
BTV	Washington, D.C. National	DCA	\$ 395.76		\$ 279.68		\$ 279.64	
BOS			\$ 743.22	\$ (347.46)	\$ 683.26	\$ (403.58)	\$ 733.26	\$ (453.62)
MHT			\$ 651.84	\$ (256.08)	\$ 627.78	\$ (348.10)	\$ 627.82	\$ (348.18)
BTV	Baltimore, MD	BWI	\$ 537.76		\$ 420.68		\$ 420.64	
BOS			\$ 673.22	\$ (135.46)	\$ 663.26	\$ (242.58)	\$ 683.26	\$ (262.62)
MHT			\$ 744.84	\$ (207.08)	\$ 644.78	\$ (224.10)	\$ 644.82	\$ (224.18)
BTV	Washington Dulles, VA	IAD	\$ 299.76		\$ 369.68		\$ 369.64	
BOS			\$ 723.22	\$ (423.46)	\$ 673.26	\$ (303.58)	\$ 745.26	\$ (375.62)
MHT			\$ 764.84	\$ (465.08)	\$ 746.78	\$ (377.10)	\$ 746.82	\$ (377.18)
BTV	Las Vegas, NV	LAS	\$ 499.76		\$ 372.68		\$ 372.64	
BOS			\$ 803.22	\$ (303.46)	\$ 909.26	\$ (536.58)	\$ 929.26	\$ (556.62)
MHT			\$ 797.84	\$ (298.08)	\$ 851.78	\$ (479.10)	\$ 851.82	\$ (479.18)
BTV	Chicago, IL	ORD	\$ 454.76		\$ 509.68		\$ 420.64	
BOS			\$ 703.22	\$ (248.46)	\$ 698.26	\$ (188.58)	\$ 758.26	\$ (337.62)
MHT			\$ 603.84	\$ (149.08)	\$ 733.78	\$ (224.10)	\$ 851.52	\$ (430.88)
BTV	JFK, NY	JFK	\$ 214.76		\$ 256.68		\$ 266.64	
BOS			\$ 733.22	\$ (518.46)	\$ 683.26	\$ (426.58)	\$ 749.26	\$ (482.62)
MHT			\$ 770.84	\$ (556.08)	\$ 821.78	\$ (565.10)	\$ 821.82	\$ (555.18)
BTV	LaGuardia, NY	LGA	\$ 199.76		\$ 215.68		\$ 220.64	
BOS			\$ 683.22	\$ (483.46)	\$ 683.26	\$ (467.58)	\$ 683.26	\$ (462.62)
MHT			\$ 637.84	\$ (438.08)	\$ 682.78	\$ (467.10)	\$ 682.82	\$ (462.18)
BTV	Detroit, MI	DTW	\$ 590.76		\$ 740.68		\$ 745.64	
BOS			\$ 770.22	\$ (179.46)	\$ 749.26	\$ (8.58)	\$ 739.26	\$ 6.38
MHT			\$ 784.84	\$ (194.08)	\$ 767.78	\$ (27.10)	\$ 767.82	\$ (22.18)
BTV	Newark, NJ	EWR	\$ 234.76		\$ 199.69		\$ 745.64	
BOS			\$ 714.22	\$ (479.46)	\$ 683.26	\$ (483.57)	\$ 739.26	\$ 6.38
MHT			\$ 629.84	\$ (395.08)	\$ 706.78	\$ (507.09)	\$ 767.82	\$ (22.18)
BTV	Atlanta, GA	ATL	\$ 559.76		\$ 601.68		\$ 601.64	
BOS			\$ 719.22	\$ (159.46)	\$ 719.26	\$ (117.58)	\$ 725.26	\$ (123.62)
MHT			\$ 683.84	\$ (124.08)	\$ 823.78	\$ (222.10)	\$ 823.82	\$ (222.18)
BTV	Fort Lauderdale, FL	FLL	\$ 375.76		\$ 351.68		\$ 366.64	
BOS			\$ 793.22	\$ (417.46)	\$ 751.26	\$ (399.58)	\$ 786.26	\$ (419.62)
MHT			\$ 667.84	\$ (292.08)	\$ 694.78	\$ (343.10)	\$ 694.82	\$ (328.18)
BTV	Denver, CO	DEN	\$ 437.76		\$ 421.68		\$ 421.64	
BOS			\$ 928.22	\$ (490.46)	\$ 813.26	\$ (391.58)	\$ 907.26	\$ (485.62)
MHT			\$ 728.84	\$ (291.08)	\$ 802.78	\$ (381.10)	\$ 802.82	\$ (381.18)
BTV	Los Angeles, CA	LAX	\$ 495.76		\$ 442.68		\$ 442.64	
BOS			\$ 873.22	\$ (377.46)	\$ 883.26	\$ (440.58)	\$ 945.26	\$ (502.62)
MHT			\$ 644.84	\$ (149.08)	\$ 782.78	\$ (340.10)	\$ 782.82	\$ (340.18)
BTV	Charlotte, NC	CLT	\$ 393.76		\$ 498.68		\$ 498.64	
BOS			\$ 759.22	\$ (365.46)	\$ 701.26	\$ (202.58)	\$ 810.26	\$ (311.62)
MHT			\$ 695.84	\$ (302.08)	\$ 644.78	\$ (146.10)	\$ 644.82	\$ (146.18)
Cumulative Average Difference			\$ (322.27)		\$ (342.92)		\$ (332.43)	
BOS Average Difference			BOS	\$ (352.10)	BOS	\$ (329.51)	BOS	\$ (340.12)
MHT Average Difference			MHT	\$ (294.08)	MHT	\$ (332.24)	MHT	\$ (309.94)

Burlington International Airport – Commission Status List

Commission Meeting - January 17, 2017

-Airport Taxi RFP

-Airport Garage Hardware/Software RFP