

# DFW Airport Board of Directors Committee Meetings

Tuesday, August 31, 2021 - 12:30 p.m.

Online viewers: to enable audio:

Please dial 800-857-0891 on your phone, then enter the code 1158038#

For Agendas and Actions:

Please visit [dfwairport.com/board](https://dfwairport.com/board) and click on the "Official Postings" Tab

The meeting will begin shortly.  
Thank you for joining us today!



# Retirement/Investment Committee

August 31, 2021

# 3. Addendum to Asset Management Agreement with Industry Fund Management (IFM) Investors

## PURPOSE:

Authorize an addendum to existing Asset Management Agreement with IFM Investors for their IFM Global Infrastructure Fund.

## DESCRIPTION:

Real asset.

Original \$10 million investment authorized in 2019.

Return of 10% net IRR and 1.3x net multiple on invested capital.

Flat management fee of 0.77% over life of investment, and 33% incentive after an 8% hurdle.

Funding from existing real asset funds.

**\$5 million**

ACTION  
AMOUNT

**Retirement Fund**

FUNDING  
SOURCE(S)

**N/A**

D/S/M/WBE  
PARTICIPATION

# 4. Asset Management Agreement with OpenGate Capital Partners

PURPOSE:

Authorize an Asset Management Agreement with OpenGate Capital Partners for their OpenGate Partners III.

DESCRIPTION:

Private equity.

Return of 20% net IRR and 2x net multiple on invested capital.

Management fee of 2% on committed capital during investment period, 2% during the harvest period, and 20% incentive after an 8% hurdle.

Funding from sponsor contributions and distributions from existing private equity funds

**\$10 million**

ACTION  
AMOUNT

**Retirement Fund**

FUNDING  
SOURCE(S)

**N/A**

D/S/M/WBE  
PARTICIPATION

# 5. Asset Management Agreement with TerraCap Management

PURPOSE:

Authorize Asset Management Agreement with TerraCap Management for their TerraCap Partners V.

DESCRIPTION:

Real Estate

Return of 12% - 14% net IRR and 1.75x net multiple on invested capital.

Management fee of 1.5% on committed capital during investment period, 1.5% during the harvest period, and 20% incentive after an 8% hurdle.

Funding from existing real estate funds.

\$10 million	Real Estate Funds	N/A
ACTION AMOUNT	FUNDING SOURCE(S)	D/S/M/WBE PARTICIPATION



# Operations Committee

August 31, 2021



## 9. International Parkway Bridge Replacement

### PURPOSE:

Delegate authority to the CEO or designee to determine which solicitation method, other than competitive bidding, provides the best value for the Airport and to procure services necessary for the International Parkway Bridge Replacement project.

### DESCRIPTION:

The flyover bridges at Terminals A, B, C and E have reached their service life expectancy, and professional bridge assessments and inspections have identified the need for their replacement.

Construction services to remove and replace the four (4) flyover bridges, and associated roadways and ramps will be solicited using an alternate contracting method.

**\$0**

ACTION  
AMOUNT

**N/A**

FUNDING  
SOURCE(S)

**N/A**

D/S/M/WBE  
PARTICIPATION



# 10. Aircraft Rescue Fire Fighting Station Consolidation

## PURPOSE:

Authorize execution of Contract No. 9500729, for Aircraft Rescue Fire Fighting (ARFF) Station Consolidation with J.E. Dunn Construction Company, of Dallas, Texas.

## DESCRIPTION:

This Contract will provide for the design, demolition and construction to consolidate four (4) existing ARFF Stations into two (2) new station locations, designated as East and West ARFF Stations, and include the implementation of a new Fumigation operation.

The new facilities will be constructed to current building codes and standards providing enhanced protection for emergency personnel and equipment, increased energy and operational efficiency, and critical infrastructure resiliency.

LEGEND	
1 Existing DPS 2	5 Existing DPS 4
2 Existing DPS 3	6 Existing Fumigation Building
3 New Consolidated East ARFF Station	7 New Consolidated West ARFF Station
4 Existing DPS 1	8 New Fumigation Building

\$5,000,000

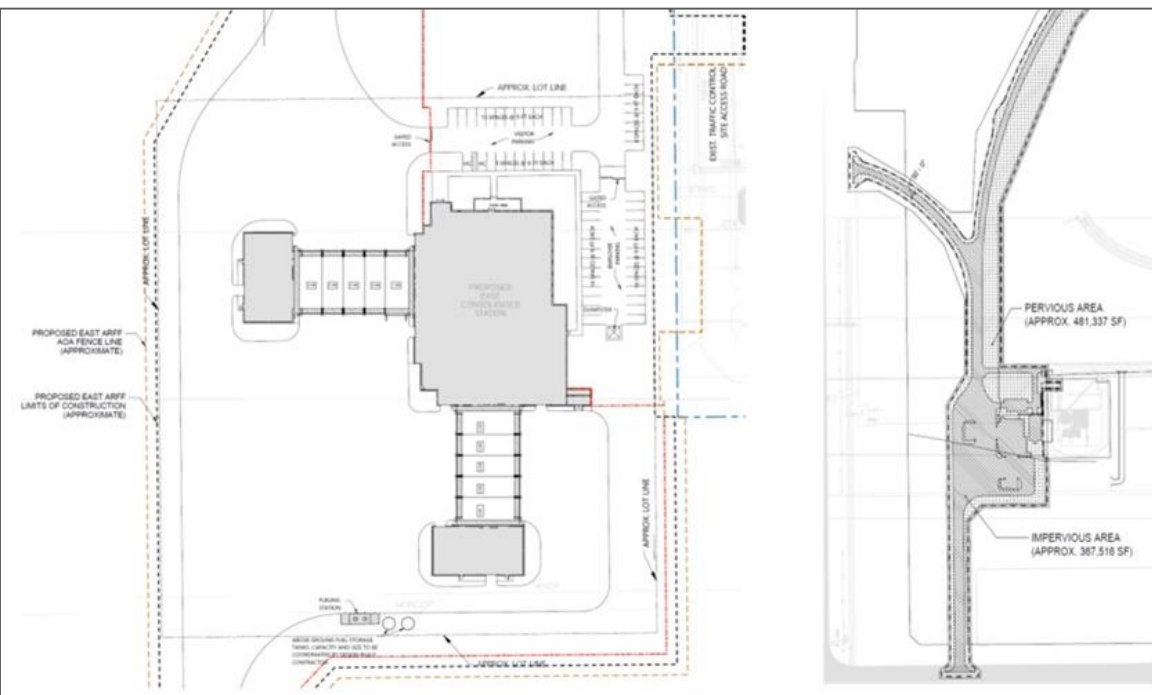
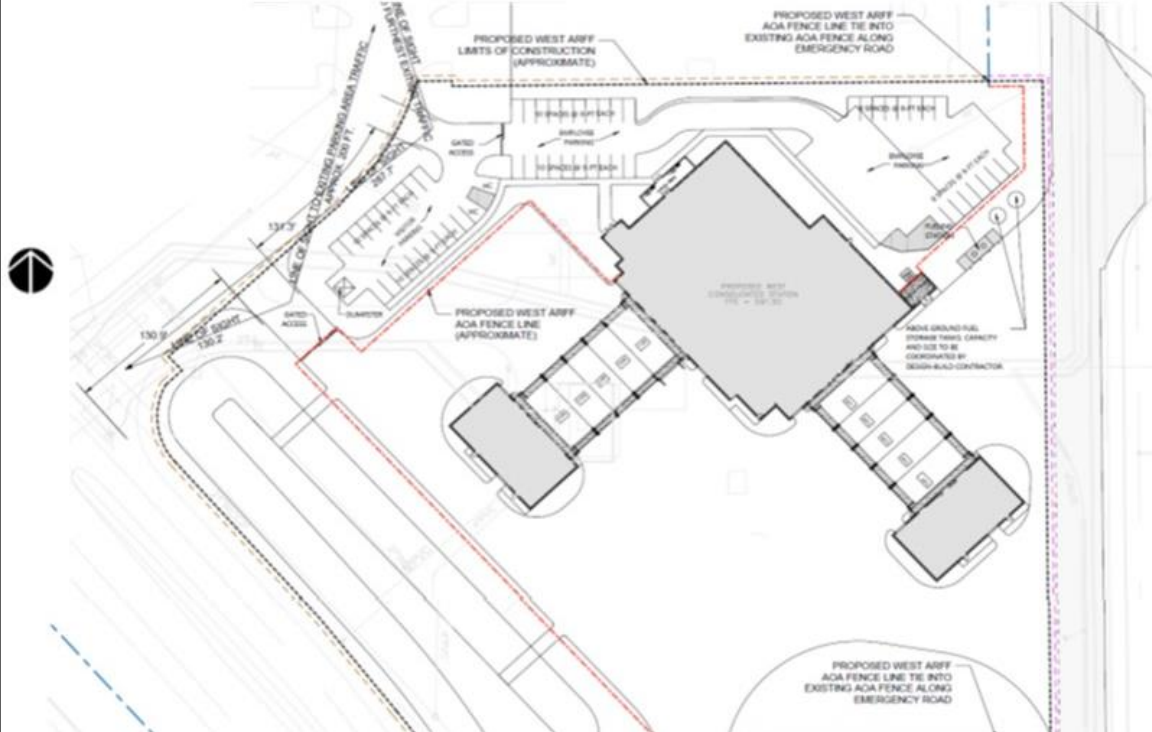
ACTION  
AMOUNT

Joint Capital

FUNDING  
SOURCE(S)

18% / 20%

D/S/M/WBE  
PARTICIPATION



# 11. FAA Reimbursement Agreement – Aircraft Rescue Fire Fighting Station Consolidation

## PURPOSE:

Authorize execution of Reimbursement Agreement No. 5001003, with the Federal Aviation Administration (FAA), Southwest Region, of Fort Worth, TX.

## DESCRIPTION:

This action will reimburse the FAA for their costs incurred in conducting technical activities and support related to the ARFF Station Consolidation project.

FAA technical support is necessary to support potential grant funding for this project.

The ARFF Station Consolidation design/build contract solicitation is currently underway.

**\$117,486**

ACTION  
AMOUNT

**DFW Capital**

FUNDING  
SOURCE(S)

**0%**

D/S/M/WBE  
PARTICIPATION



## 12. Terminal D Electrical & Mechanical Systems Replacement

### PURPOSE:

Authorize execution of Contract No. 9500742, with Real Network Services, Inc., of Dallas, Texas.

### DESCRIPTION:

This project will upgrade or replace several electrical and mechanical systems at Terminal D that have reached the end of their service life.

The scope of this Contract includes loading dock systems and equipment, radiant heating systems in ramp work areas, crosswalk safety lighting systems, and various lighting systems of the parking garage.

**\$749,728**

ACTION  
AMOUNT

**DFW Capital**

FUNDING  
SOURCE(S)

**82%**

D/S/M/WBE  
PARTICIPATION



## 13. Facilities Relocation and Consolidation (Southwest Consolidated Campus Roads & Utilities Phase 1B)

### PURPOSE:

Authorize an increase to Contract No. 9500668, with Oscar Renda Contracting, Inc., of Roanoke, Texas.

### DESCRIPTION:

During construction, the contractor experienced various challenges due to unforeseen and differing site conditions, and revised utility connections for several concurrent facility projects within the SW Campus.

This increase will compensate the contractor for cost incurred due to the preceding and for final quantities.

**\$1,606,299**

ACTION  
AMOUNT

**DFW Capital**

FUNDING  
SOURCE(S)

**0%**

D/S/M/WBE  
PARTICIPATION

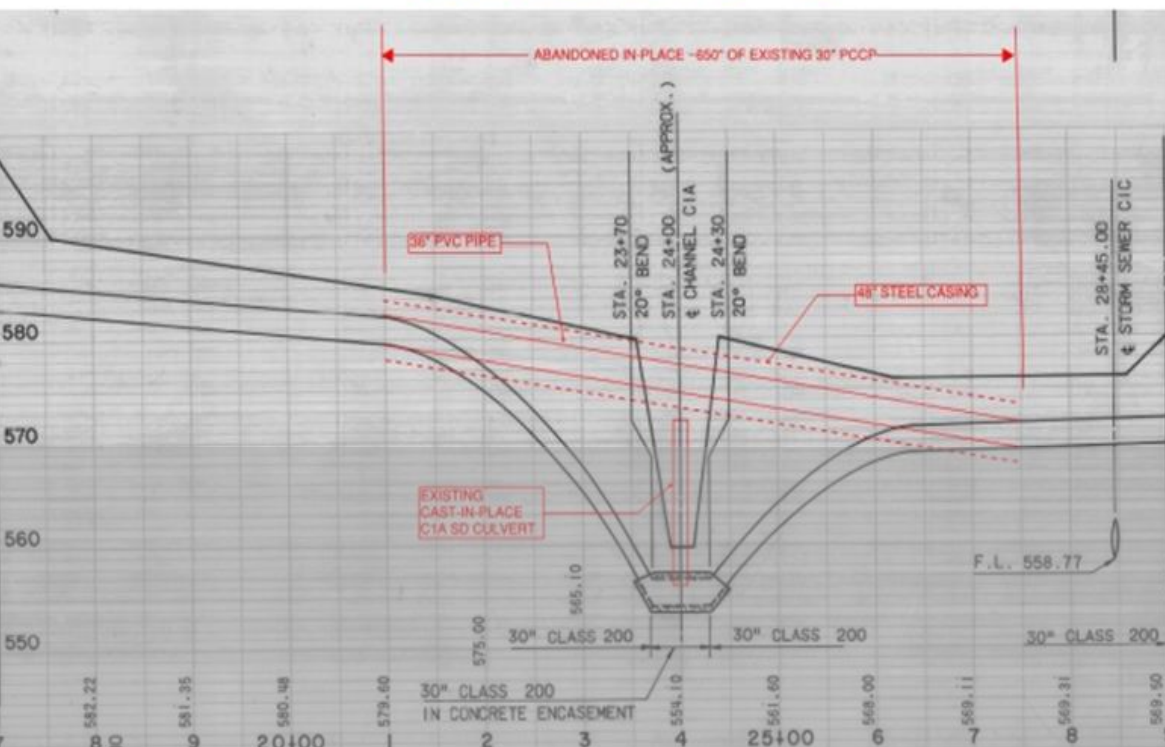


Exhibit 2 - Aerial view from GIS Maps of W4 Watermain & Profile of original design with proposed replacement

## 14. Airfield Water Main Replacement

### PURPOSE:

Ratify Contract No. 9500771, with North Texas Contracting, Inc., of Fort Worth, Texas.

### DESCRIPTION:

The Contract will replace a damaged potable water main with a new water pipe within the Runway Safety Area of Runway 18L.

The damaged water main is currently isolated from the Airport's Water Distribution System. Any further outages may impact reliable operation of the entire system.

Timely repair is necessary to preserve and protect the public health and welfare.

**\$3,300,000**

ACTION  
AMOUNT

**DFW Capital**

FUNDING  
SOURCE(S)

**0%**

D/S/M/WBE  
PARTICIPATION

# 15. Job Order Contracts

PURPOSE:

Authorize execution of execute two (2) Contracts for Job Order Contract: Contract No. 9500755, with Gilbert May, Inc. dba Phillips/May Corporation, of Dallas, Texas; and Contract No. 9500756, with Skye Building Services LLC of Grapevine, Texas.

DESCRIPTION:

Providing construction services under a JOC provides an efficient and timely means of accomplishing small facility repair, renovation and construction projects.

Work under the JOC will be issued by individual delivery order and priced utilizing the R.S. Means Facilities Construction Cost Data Unit Price Books.

Delivery Orders over \$500,000 will be brought to the Board for approval.

**\$10,000,000**  
ACTION  
AMOUNT

**Various**  
FUNDING  
SOURCE(S)

**52/28%**  
D/S/M/WBE  
PARTICIPATION



## 16. Employee Inspection Portals

### PURPOSE:

Authorize execution of Contract No. 9500722, with J.E. Dunn Construction Company, of Dallas, Texas.

### DESCRIPTION:

The design/build project will construct new employee screening portals at A24, B14, D10, D37, E2, and E37.

The project will improve the employee screening process by building modern sterile portals that will improve throughput, enhance screening, and incorporate new touch-free technologies.

This project will provide sufficient throughput capacity to meet current and future demand.



**\$11,000,000**

ACTION  
AMOUNT

**Joint Capital**

FUNDING  
SOURCE(S)

**21.4/20%**

D/S/M/WBE  
PARTICIPATION

# 17. Project Controls and Analytic Services

PURPOSE:

Authorize execution of Contract No. 8500394, with RIB U.S. Cost, of Grapevine, Texas.

DESCRIPTION:

This Contract provides professional estimating, scheduling, cost management, and analytic services for the Airport's infrastructure and development controls function.

Services are authorized and funded on an as-needed basis through individual Delivery Orders, which allows Board staff to rapidly respond to program/project delivery requirements.

The Contract is a replacement for an existing contract which is expiring.

**\$35,000,000**

ACTION  
AMOUNT

**Various**

FUNDING  
SOURCE(S)

**35%**

D/S/M/WBE  
PARTICIPATION

# 18. Civil Landside Planning/Project Management/Construction Management Services

## PURPOSE:

Authorize execution of Contract No. 8500395, with STV|AZB Joint Venture, of Dallas, Texas.

## DESCRIPTION:

This Contract provides professional landside planning, project management and construction management services for Airport civil landside projects.

The scope of services encompasses all phases of landside project development including planning, preliminary design, design management, pre-construction, construction management.

Services are authorized and funded on an as-needed basis through individual Delivery Orders, which allows Board staff to rapidly respond to program/project requirements.

**\$40,000,000**

ACTION  
AMOUNT

**Various**

FUNDING  
SOURCE(S)

**38%**

D/S/M/WBE  
PARTICIPATION



## 19. Bus Tracking and Passenger Counting System Hardware Installation Services

### PURPOSE:

Execute Contract No. 7007123, with ETA Transit Systems, Inc., of Boca Raton, Florida.

### DESCRIPTION:

Supports proprietary Bus Tracking and Passenger Counting System, which allows customers to view real time location and other information and enables more efficient bus operations by leveraging data collected to improve staffing and dispatching decisions.

Provides services to uninstall and reinstall the hardware from buses being decommissioned to their replacements.

Provides for the recalibration of the equipment to optimize operating efficiencies.

**\$400,000**

ACTION  
AMOUNT

**Operating Fund**

FUNDING  
SOURCE(S)

**0%**

D/S/M/WBE  
PARTICIPATION



## 20. Replacement Mobile Intensive Care Unit

### PURPOSE:

Execute Purchase Order No. 278143, to Siddons Martin Emergency Group, LLC, of Denton, Texas.

### DESCRIPTION:

Replaces an existing unit, which has been in operation since 2016.

Programmed replacement vehicle for Department of Public Safety staff used in the performance of their job functions.

Vehicles selected for replacement have met the criteria established in the Airport's Fleet Vehicle Policy and Procedures.

Replaced vehicle will be declared surplus and sold at public auction.

**\$422,907**

ACTION  
AMOUNT

**DFW Capital**

FUNDING  
SOURCE(S)

**0%**

D/S/M/WBE  
PARTICIPATION



# Concessions/ Commercial Development Committee

August 31, 2021

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# 24. American Rescue Plan Act (ARPA)

Third Phase of Relief from Federal Government

08.31.2021

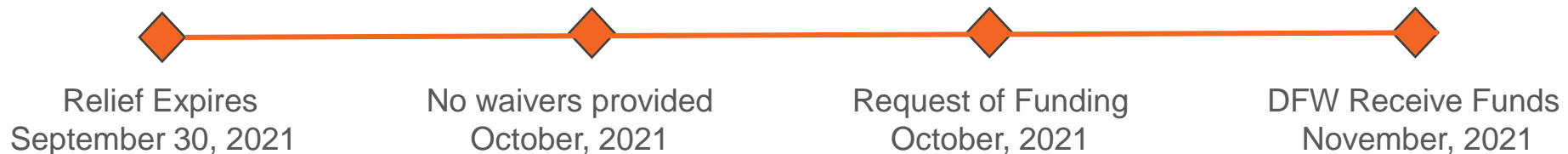


# 24. ARPA Concession Grant

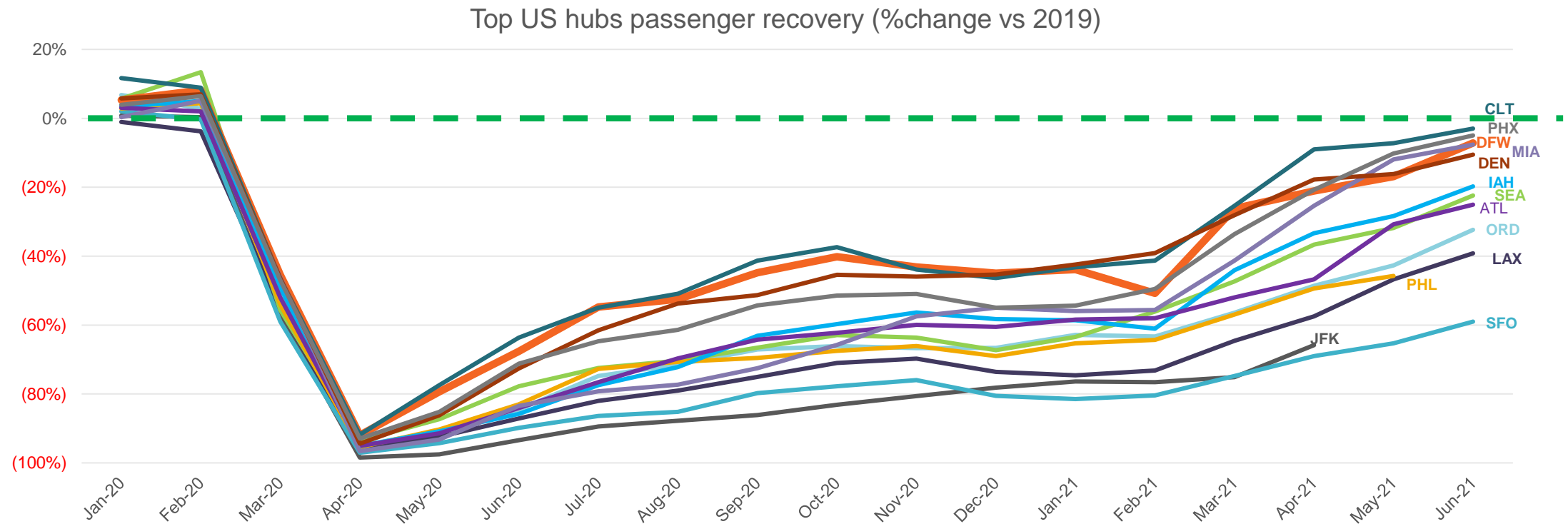
## DFW Airport's Plan

### Focus on FY22

- DFW will utilize ARPA funding to provide additional relief after the airport relief expires as of September 30, 2021
- No waivers will be provided beginning in October 2021
- Relief provided in the form of billing credits once grant is approved by FAA and cash is received by DFW



# 24. DFW has recovered faster than most other US Airports

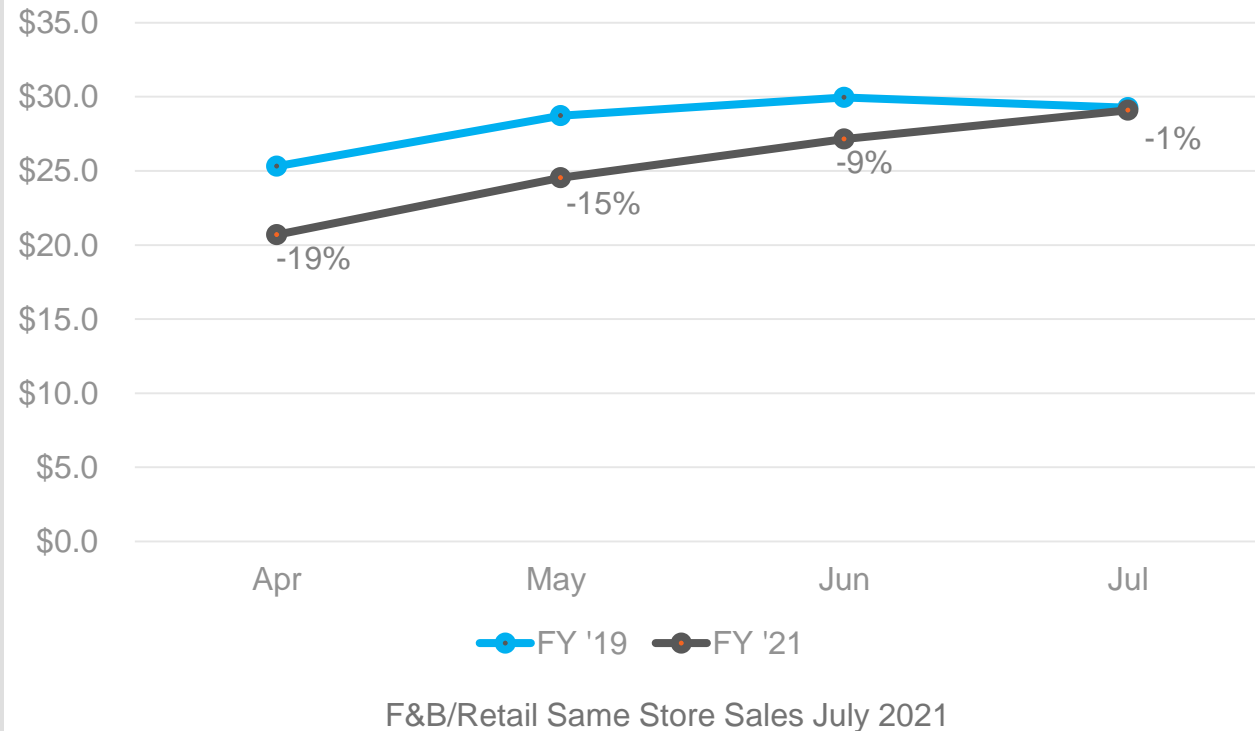
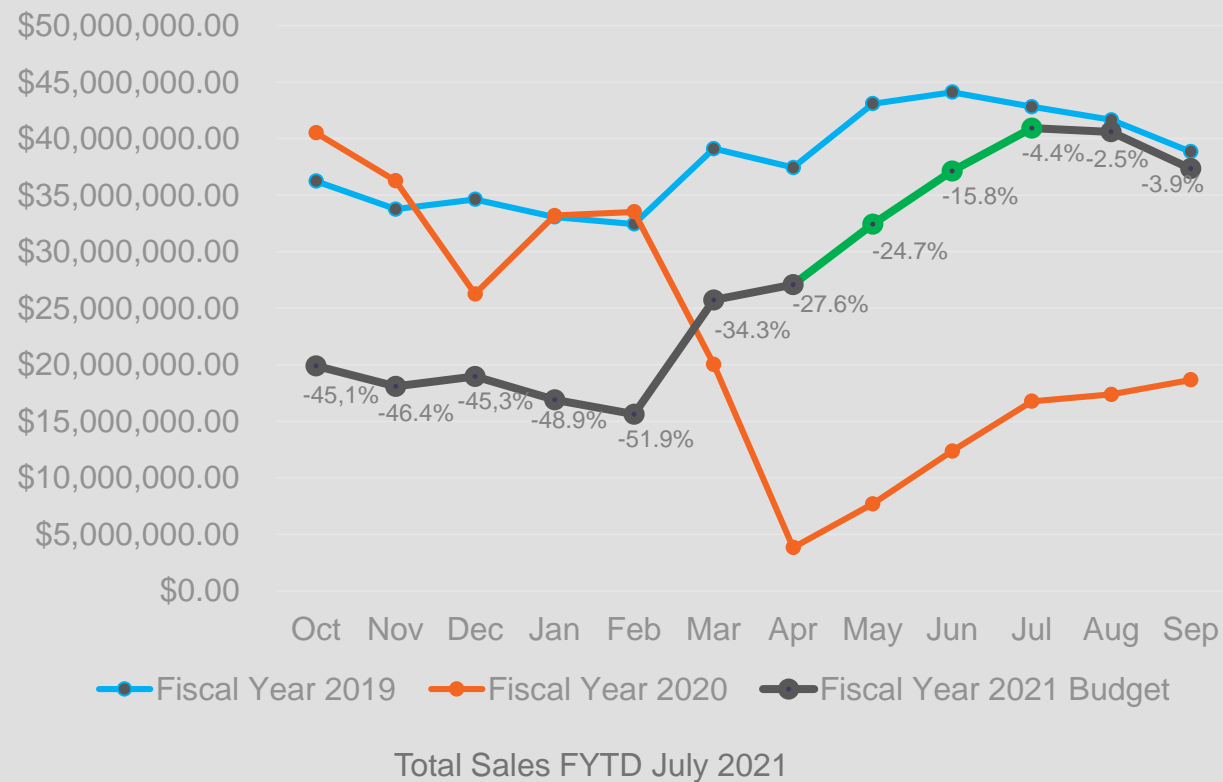


Source: [centreforaviation.com](https://www.centreforaviation.com)

Note: Not all airports have reported through June 2021

# 24. Total Sales vs Same Store Sales

Overall total sales are recovering. F&B/Retail locations are returning to Pre-Pandemic Sales FY19 vs FY21  
Same Store Sales are only down -1% as of July.



## 24. ARPA Grant to Airports for Concessions Relief

ARPA grant is for rent for concession occupancy after March 11, 2021

Rent Categories:

- MAG
- Percentage Rent
- Facility O&M
- Storage Rent



ARPA relief is restricted to in-terminal concessions

- Sponsorships are not eligible for ARPA relief (ex. Coke)



ARPA will provide DFW a relief grant of **\$30,651,354**

- Eligible entities will receive their "proportionate share" based on their

## 24. ARPA Grant Details



### ARPA Grant Amount for DFW International Airport

Small Business Concessions	\$24,521,083
Large Business Concessions	<u>\$ 6,130,271</u>
Total Grant Amount	\$30,651,354

### What determines 'small' versus 'large'?

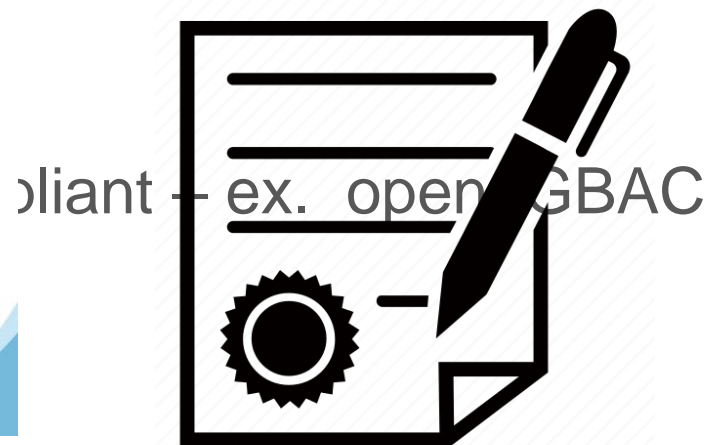
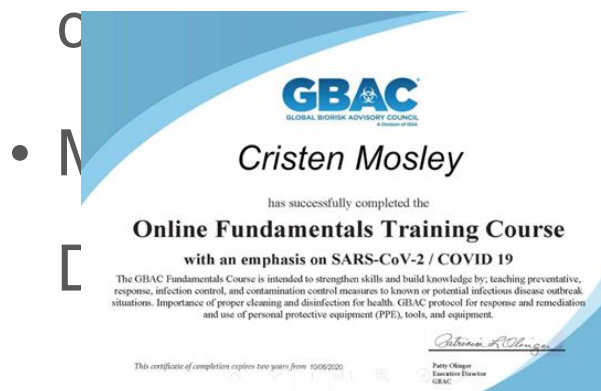
### Per FAA guidelines per (as defined in 49 CFR § 23.3)

- Small business with maximum gross receipts, averaged over the previous 3 fiscal years, < \$56,420,000, **a joint venture or an ACDBE entity.**
- Large business with maximum gross receipts, averaged over the previous 3 fiscal years, > \$56,420,000.
  - Receipts should be measured company-wide, not specific to DFW Airport, per FAA



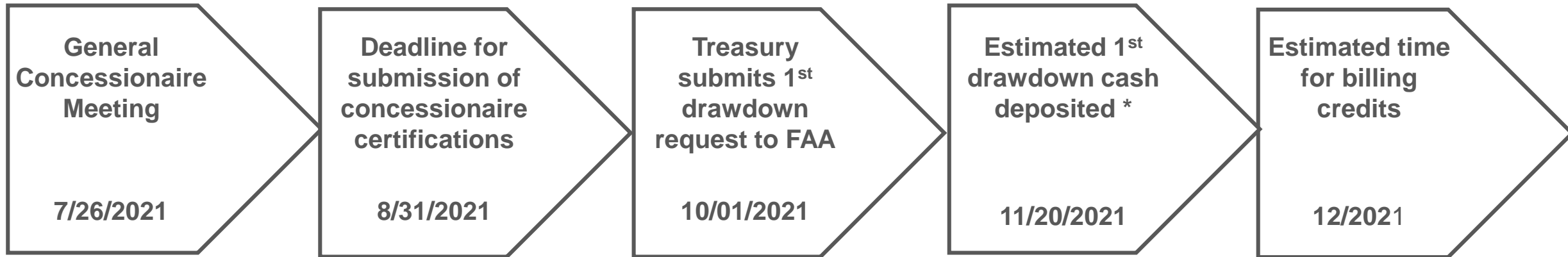
## 24. Eligibility

- Eligible concessions will need to certify and self-identify – Small or Large Business
- Must be subject to agreement to remit rent after March 11, 2021
  - Sponsorships are not eligible (ex. Coke)
  - Entities that have terminated or announced termination of their leases are not eligible
- Concessions must be operating as of October 1, 2021 and be a going



# 24. Timeline for Certification and Funding

\*dependent on FAA review and approval



Thank You



# 25. Asset Management Agreement

## PURPOSE:

Approve the expenditure by the Public Facilities Improvement Corporation Board (PFIC) in an amount not to exceed \$202,000 for the first Asset Management Agreement (AMA) Renewal Term and Asset Management Fee expenses for the Hyatt Place DFW Airport Hotel (HPDFW).

## DESCRIPTION:

The AMA authorizes Woodbine Development I, LTD (Woodbine) to assist the PFIC with the management of the hotel.

The PFIC approved the AMA Renewal Term and Asset Management Fee expenses for the HPDFW on August 12, 2021.

This is the first of two five-year renewal terms and will provide for the continued asset management by Woodbine through January 26, 2026.

**\$ 202,000**

ACTION  
AMOUNT

**PFIC**

FUNDING  
SOURCE(S)

**N/A**

D/S/M/WBE  
PARTICIPATION



## 26. Hotel Management Agreement

### PURPOSE:

Approve the expenditure by the Public Facilities Improvement Corporation Board (PFIC) in an amount not to exceed \$1,900,000 for the first Hotel Management Agreement (HMA) Renewal Term and Management Fee expenses for the Hyatt Place DFW Airport Hotel (HPDFW).

### DESCRIPTION:

The HMA authorizes Select Hotels, Group, L.L.C. (Hyatt) to manage the operations of the HPDFW in a professional, business-like manner with the primary purpose of maximizing current and long-term revenues and customer experience consistent with the operations of the Airport Board.

PFIC approved the HMA Renewal Term and the Management Fee expenses for HPDFW on August 12, 2021.

This is the first of two five-year renewal terms and will provide for the continued hotel management by Hyatt through January 26, 2026.

**\$ 1,900,000**

ACTION  
AMOUNT

**PFIC**

FUNDING  
SOURCE(S)

**30% / 20%**

D/S/M/WBE  
PARTICIPATION

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# Finance/Audit Committee

August 31, 2021







# KPIs and Financial Report – FY 2021

Ten months ending July 31, 2021 – Unaudited



# Key Performance Indicator Scorecard

Ten months ending July 31, 2021 – Unaudited

(\$ in millions)

Key Performance Indicator	Year-To-Date				FY 2021	
	FY 2020 Actuals	FY 2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)	Annual Budget	
Application of Federal Relief Proceeds	\$132.6	\$88.7	\$105.0	(\$16.3) (15.5%) 	\$142.5	
Total Expenditure Budget	\$803.6	\$767.1	\$787.2	(\$20.1) (2.6%) 	\$977.5	
Total Passengers (Ms)	40.73	44.26	41.73	2.53 6.1% 	53.1	
Total Landed Weights (Bs)	30.6	32.2	33.7	(1.5) (4.5%) 	42.0	

## Results Status Bar

 Improved/Constant  
 Worse

# Application of Federal Relief Proceeds

Ten months ending July 31, 2021 – Unaudited

	Year-to-Date (\$ in millions)			
	July Actuals	July Budget	Actuals vs. Budget Favorable/(Unfavor)	
DFWCC Revenues*	\$239.0	\$235.4	\$3.6	1.5%
Airfield & Terminal Revenues*	458.4	470.6	(12.2)	(2.6%)
Total Revenues *	697.4	706.0	(8.6)	(1.2%)
Total Expenditures	767.1	787.2	20.1	2.6%
Passenger Facility Charges	86.9	82.1	4.8	5.9%
Net Variance			<u><u>\$16.3</u></u>	

\* Excludes Federal Relief Proceeds

# DFW Cost Center

Ten months ending July 31, 2021 – Unaudited

	Year-To-Date					FY 2021
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Parking	\$89.7	\$85.8	\$83.7	\$2.2	2.6%	\$107.6
Concessions	53.7	52.9	55.6	(2.7)	(4.8%)	69.8
Rental Car	20.5	25.6	20.0	5.6	27.9%	25.1
Commercial Development	45.1	49.7	47.8	1.9	4.0%	57.4
Other Revenues	35.8	24.9	28.3	(3.4)	(12.1%)	34.5
Total Revenues before FRP	244.8	239.0	235.4	3.6	1.5%	294.4
DFW CC Expenditures						
Operating Expenditures	104.7	90.6	95.9	(5.3)	(5.5%)	125.7
Debt Service, net	57.1	46.3	48.6	(2.3)	(4.7%)	55.3
Total Expenditures	161.9	137.0	144.5	(7.6)	(5.2%)	181.0
Gross Margin - DFW Cost Center	82.9	102.0	90.9	11.1	12.2%	113.4
Less Transfers and Skylink						
DFW Terminal Contribution	2.4	2.4	2.4	0.0	0.0%	2.8
Skylink Costs	33.6	35.8	35.9	(0.2)	(0.4%)	44.3
Net Revenues before FRP	46.9	63.9	52.6	11.3	21.4%	66.2
Federal Relief Proceeds (FRP)	89.9	63.1	74.4	(11.3)	(15.2%)	97.8
Net Revenues	\$136.8	\$127.0	\$127.0	\$0.0	0.0%	\$164.0

# Airfield and Terminal Cost Centers

Ten months ending July 31, 2021 – Unaudited

	Year-To-Date				FY 2021	
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Revenues						
Landing Fees	\$72.0	\$71.9	\$75.0	(\$3.1)	(4.2%)	\$93.5
Other Airfield	9.0	10.8	9.7	1.1	11.2%	10.7
Transfer from DFW Cost Center	58.8	58.3	58.3	(0.0)	(0.0%)	70.0
Total Airfield Revenue	139.9	141.0	143.0	(2.1)	(1.4%)	174.2
Terminal Leases	276.7	276.0	276.5	(0.5)	(0.2%)	331.8
FIS Fees	12.7	12.4	11.9	0.5	4.5%	15.3
Turn Fees	13.8	12.1	19.9	(7.8)	(39.0%)	24.7
Other Terminal	18.9	14.5	16.9	(2.4)	(14.3%)	20.8
Total Terminal Revenues	322.0	315.1	325.2	(10.1)	(3.1%)	392.7
DFW Terminal Contributions	2.4	2.4	2.4	0.0	0.0%	2.8
Total Revenues before FRP	464.2	458.4	470.6	(12.2)	(2.6%)	569.7
Expenditures						
Operating Expenditures	260.2	264.3	270.2	(5.9)	(2.2%)	345.8
Debt Service, net	235.7	216.7	228.0	(11.4)	(5.0%)	268.7
Total Expenditures	495.9	481.0	498.2	(17.2)	(3.5%)	614.4
Net Income/(Loss) before FRP	(31.7)	(22.5)	(27.6)	5.0	(18.2%)	(44.7)
Federal Relief Proceeds (FRP)	42.7	25.5	30.5	(5.0)	(16.5%)	44.7
Net Income/(Loss)	\$11.0	\$3.0	\$3.0	(\$0.0)	(0.0%)	(\$0.0)

# Operating Fund – Total Expenditures

Ten months ending July 31, 2021 – Unaudited

	Year-To-Date					FY 2021
	FY 2020 Actuals	FY2021 Actuals	FY 2021 Budget	Actuals vs. Budget Increase/(Decrease)		Annual Budget
Operating Expenditures						
Salaries and Wages	\$134.6	\$131.9	\$134.9	(\$3.0)	(2.2%)	\$166.3
Benefits	58.7	59.6	61.2	(1.6)	(2.6%)	84.4
Facility Maintenance Contracts	63.0	67.1	70.3	(3.2)	(4.5%)	86.2
Other Contract Services	81.1	77.7	79.2	(1.4)	(1.8%)	99.8
Utilities	21.7	22.0	20.9	1.2	5.6%	26.1
Equipment and Other Supplies	14.4	13.2	14.0	(0.8)	(5.7%)	17.9
Insurance	5.4	7.3	8.0	(0.7)	(8.9%)	10.0
Fuels	0.6	1.8	2.6	(0.8)	(29.5%)	3.2
General, Administrative, and Other	4.7	3.1	3.8	(0.8)	(20.4%)	9.9
Change in Operating Reserves	8.1	2.2	2.2	0.0	0.0%	5.6
Total Operating Expenditures	392.2	386.1	397.1	(11.0)	(2.8%)	509.4
Debt Service, gross	411.4	381.1	390.1	(9.0)	(2.3%)	468.2
Total Operating Fund Expenditures	\$803.6	\$767.1	\$787.2	(\$20.1)	(2.6%)	\$977.5



**AMERICAN ASSOCIATION  
OF AIRPORT EXECUTIVES**

## 34. American Association of Airport Executives (AAAE) Enterprise Membership

### PURPOSE:

That the Chief Executive Officer or designee be authorized to contract with AAAE for an enterprise membership for DFW Airport employees in the amount not to exceed \$375,000.00.

### DESCRIPTION:

Enterprise membership will afford all DFW Board employees the full benefits of membership in AAAE, including access to online training, member forums, technical committees, and federal affairs support. Additionally, AAAE will provide onsite training programs tailored to DFW employee needs.

**\$ 375,000**

ACTION  
AMOUNT

**Operating Fund**

FUNDING  
SOURCE(S)

**0% Goal**

D/S/M/WBE  
PARTICIPATION



## 35. American Airlines – Reimbursement Agreement – Construction of Baggage Handling System Improvements

### PURPOSE:

Approve a Reimbursement Agreement with American for the construction of certain Baggage Handling System (BHS) Improvements, in an amount not to exceed \$40,628,371.07.

### DESCRIPTION:

In 2020, the Board approved a Reimbursement Agreement for the design and programming costs for certain BHS improvements and for the procurement of equipment for the project, in an amount not to exceed \$7,151,212.00. This Reimbursement Agreement will allow the first phase of construction to begin on the BHS improvements, in an amount not to exceed \$40,628,371.07.

- First Phase will include beginning construction on the BHS repairs, upgrades and replacement components, with the remaining phase(s) subject to Board approval of a future reimbursement agreement with American.
- DFW and American have spent considerable efforts in the development of this comprehensive program to repair, upgrade or replace critical components of the BHS system in all terminals.
- Without implementation, there is a high risk of system failures and outages that will negatively impact customer experience and degrade operations.
- DFW prefers that American performs the construction due to complexities of airline operations and phasing strategies.

**\$ 40,628,371**

ACTION  
AMOUNT

**Capital**

FUNDING  
SOURCE(S)

**31% Goal**

D/S/M/WBE  
PARTICIPATION



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## 36. Audit Services' Fiscal Year 2022 Annual Plan

- Required by Board Resolution and Professional Standards
- Risk-Based Approach
- Allocated Resources to Address the Identified Risks

# 36. Audit Services' Fiscal Year 2022 Annual Plan

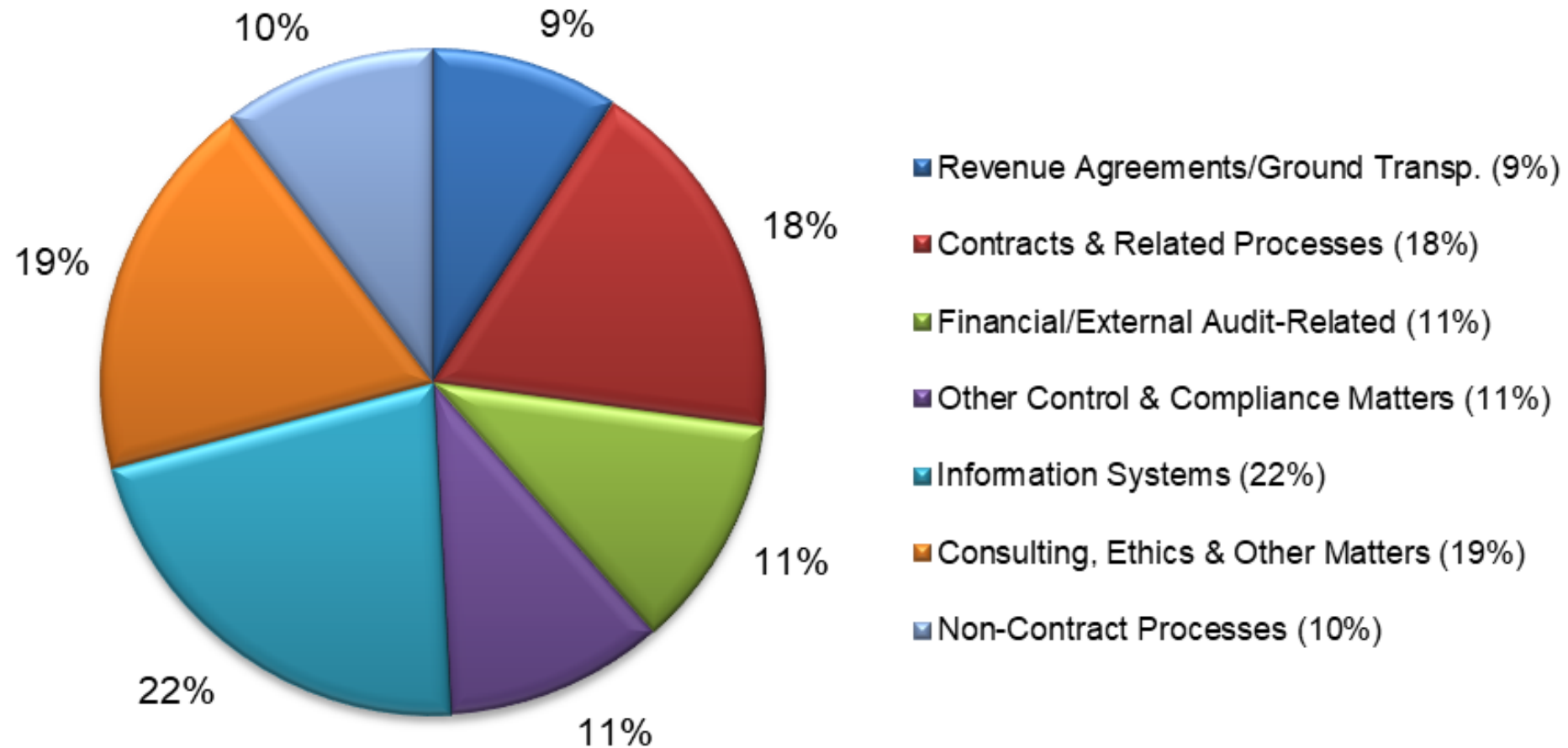
- External Auditor Assistance
- Investment Controls and Compliance
- Seized Funds
- Access DFW Financial Controls
- Parking Privileges
- Emergency Medical Services Medications
- Procurement Card Use
- Airfield Inspections
- Construction Permits and Certificates of Occupancy
- Bonfire Electronic Solicitations
- Information Security Applications and Tools
- Payment Card Industry Data Security Standard

# 36. Audit Services' Fiscal Year 2022 Annual Plan

- Ethics Matters
- Board of Directors Consulting
- Management Consulting
- Capital Development Activity Monitoring
- Revenue Agreements and Ground Transportation Charges
- Contracts and Related Processes
- Information Systems
- Four Departmental Initiatives

## 36. Audit Services' Fiscal Year 2022 Annual Plan

Estimated Allocation of Hours by Type of Project



# 37. External Audit Services

## PURPOSE:

Increase Contract No. 8004992, for External Audit Services, with Deloitte & Touche LLP, of Dallas, Texas, to extend the term of the contract by one year.

## DESCRIPTION:

This extension will provide continuity of external audit firms during the Board's implementation of Government Accounting Standards Board Statement No. 87. Staff has been coordinating with Deloitte for several years with respect to how different types of leases should be recorded in the Board's financial records.

Deloitte has been the Board's external audit firm since April 2010. This extension and the additional option year will result in Deloitte providing services for a total of 13 years.

This action will suspend for one year the Finance/Audit Committee Charter section that states the external audit firm contract will be for one year with four one-year options. A new External Audit Services contract will be awarded in early 2023.

**\$431,098.00**

ACTION  
AMOUNT

**Various**

FUNDING  
SOURCE(S)

**20% Goal**

D/S/M/WBE  
PARTICIPATION



# 38. Small Business Enterprise - Concessions (SBEC) Policy

PURPOSE:

This action requests the adoption of a new Small Business Enterprise (SBE) Policy for the Airport's Concessions program and that the Chief Executive Officer be authorized to develop administrative procedures to implement the policy.

DESCRIPTION:

The Federal Aviation Administration in its FY2019 Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program Targeted Compliance Review Close Out recommended an SBE Program for Concessions.

N/A

ACTION  
AMOUNT

N/A

FUNDING  
SOURCE(S)

N/A

D/S/M/WBE  
PARTICIPATION



## 39. Appointment and Compensation for the Interim Director of Audit Services

PURPOSE:

Appoint Rosa Maria Meagher as Interim Director of Audit Services and provide a 10% salary increase during the time she serves in such capacity.

DESCRIPTION:

Robert Darby is retiring effective September 30,2021.

Rosa Maria Meagher is currently the Assistant Director of Audit Services and has the expertise and experience to serve in the interim role.

The recommended salary increase of 10% is within Board policy.

10%

ACTION  
AMOUNT

0102

FUNDING  
SOURCE(S)

N/A

D/S/M/WBE  
PARTICIPATION

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# Public Facility Improvement Corporation FY 2022 Budget

August 31, 2021



## 40. FY 22 PFIC Budget Summary

PFIC Net Revenues are projected to increase \$28.4 million in FY22 compared to FY21 as business activity begins to return to pre-COVID levels, debt on the RAC is retired on 11/1/21, and the Campus West rent credits expire.

Millions	FY19A*	FY21B	FY22B	FY22B vs FY21B	FY22B vs FY19A
Operating					
Revenues*	\$ 90.9	\$ 48.8	\$ 66.2	\$ 17.4	\$ (24.7)
Expenses	(41.6)	(29.8)	(36.4)	6.6	(5.2)
Gross Margin	49.3	19.0	29.8	10.8	(19.5)
Other Adjustments					
Debt Service (RAC/Grand Hyatt)	(19.3)	(19.7)	(6.8)	(12.9)	(12.5)
DFW/Hyatt Management	(2.0)	(3.0)	(3.1)	0.1	1.1
Rent Credit (Campus West)	0.0	(5.2)	(0.5)	(4.7)	0.5
Other Income	5.1	0.5	0.6	0.1	(4.5)
Net Revenues	\$ 33.1	\$ (8.4)	\$ 20.0	\$ 28.4	\$ (13.1)

\* For comparative purposes, FY19A Campus West revenues exclude \$40M of one-time revenue

## 40. FY 22 PFIC Summary – by Business Unit

Millions	FY19A*	FY21B	FY22B	FY22B vs FY21B	FY22B vs FY19A
Grand Hyatt	\$ 17.3	\$ (4.4)	\$ 1.7	\$ 6.1	\$ (15.6)
Hyatt Place	2.4	0.2	0.6	0.4	(1.8)
RAC (Customer Facility and Transportation Charges)	10.6	(1.3)	15.8	17.1	5.2
Campus West*	2.8	(2.9)	1.9	4.8	(0.9)
Net Revenues	<u>\$ 33.1</u>	<u>\$ (8.4)</u>	<u>\$ 20.0</u>	<u>\$ 28.4</u>	<u>\$ (13.1)</u>

\* For comparative purposes, FY19A Campus West revenues exclude \$40M of one-time revenue

Grand Hyatt/Hyatt improved to FY21B, but still lags FY19A due to slow return of group business and continued impacts of COVID.

RAC improved to FY21B and FY19A primarily due to retirement of RAC Customer Facility Charge debt effective 11/1/21. Transaction days are lower due to COVID.

Campus West improved to FY21B due to expiration of rent credits in FY22.

# 40. Capital Projects by Business Unit

Millions

Capital Expenditures by Project	FY22B
Hotels	
Grand Hyatt - FF&E Refresh	\$ 3.5
Hyatt Place - replacements, improvements	<u>0.1</u>
Total Hotels	3.6
RAC	
Elevators	5.8
Buses	2.5
HVAC, other facility	<u>0.3</u>
Total RAC	8.6
Campus West - waterproofing, HVAC	<u>0.5</u>
Total Capital Expenditures	\$ 12.7

# 41. Fiscal Year 2022 Operation Revenue and Expense Fund Budget

Proposed budget was reviewed by the DFW Board in August to allow 45 days for airline comment period.

Annual Expenditures (in Millions)	FY22 Budget
Operating Expenses	\$566.9
Gross Debt Service	469.5
Total Expenditures Budget within rate base	<u>\$1,036.4</u>
Board Contingency outside rate base	10.0
Total Budget with Contingency	<u><u>\$1,046.4</u></u>



## 42. Schedule of Charges for Fiscal Year 2022

Use agreement extended on a month-to-month basis.

### DESCRIPTION:

Rates designed to achieve revenues projected in the Annual Budget.

Rates become effective October 1, 2021.

Rates may be revised during fiscal year with CEO approval.

No increase in landing fees or terminal rents per square foot.

\$3 terminal rate increase in parking.

Board has received and reviewed redline version of Schedule of Charges for quick reference in August.

Final approval in September.

# 43. Apple Products and Accessories



## PURPOSE:

- Award a Contract to provide Apple products and accessories to support mobile computing needs for DFW Staff.

## DESCRIPTION:

- This is a replacement Contract that has been in place for four years
- Required devices are used throughout the airport for terminal inspections, smart restroom management, mobile badges, AA Biometrics, data collection in GIS, and more
- These are for new and replacement products required due to staff's need to have mobile access to information
- Products include iPads, iPods, MacBooks, and MacPro

**\$475,150**

ACTION  
AMOUNT

**Operating**

FUNDING  
SOURCE(S)

**31% Goal**

D/S/M/WBE  
PARTICIPATION

# 44. Automated Access Control System Installation and Maintenance Services



## PURPOSE:

- Award a Contract for Automated Access Control System (AACS) installation and maintenance services, in support of the Airport's security initiatives.

## DESCRIPTION:

- This action will provide for the expansion, enhancement, and replacement of the entire AACS, including the biometric verification system for the Airport's passenger terminals, remote buildings, and other Airport campus facilities.
- This contract will retain a System Integrator to design and install core systems and develop integrations associated with the replacement AACS.
- The contract shall also provide for post-installation support and ongoing maintenance of the system.
- The Automated Access Control System manages ingress into secured spaces within the Airport's passenger terminals, various board facilities, and other campus areas.
- The contract will allow for the integration of the AACS into the new Saab SAFE platform software that has been installed for the Integrated Operations Center.
- Once complete the new integrated system will help provide situational awareness of security events and incidents at DFW Airport.

**\$8,750,000**

ACTION  
AMOUNT

**Various**

FUNDING  
SOURCE(S)

**31% Goal**

D/S/M/WBE  
PARTICIPATION

# 46. Settlement of Lawsuit

Stephanie Garcia v. DFW Airport Board

## PURPOSE:

That the Chief Executive Officer or designee be authorized to execute an agreement settling this Garcia Lawsuit

## DESCRIPTION:

Under the mediated settlement, which is hereby submitted to the Board for approval, the Board would pay a total of \$84,500.00 in exchange for dismissal of the suit with prejudice and a full release of all claims. Of the total settlement amount, \$??? will be paid to the plaintiff's attorneys, \$???? will be paid to the lead plaintiff.

**\$84,500**

ACTION  
AMOUNT

**Operating Fund**

FUNDING  
SOURCE(S)

**N/A**

D/S/M/WBE  
PARTICIPATION

# 47. Cyber Security Software

## PURPOSE:

- Increase the Contract for Cyber Security Software for the Airport's cybersecurity program.

## DESCRIPTION:

- The contract provides for licensing and maintenance of cybersecurity software.
- The increase is needed to expand usage of the software to DFW networks where operational technology is used.

**\$28,500**

ACTION  
AMOUNT

**Operating**

FUNDING  
SOURCE(S)

**25% Goal**

D/S/M/WBE  
PARTICIPATION

# 48. Managed Security Risk, Detection, and Response Service



## PURPOSE:

- Award a Contract for Managed Security Risk, Detection, and Response Service in support of the Airport's Technology Program.

## DESCRIPTION:

- This contract will provide a Managed Risk, Detection, and Response solution to help DFW identify and address cybersecurity threats.
- Provides for monitoring of DFW computing devices, networks, and systems to identify cyber threats.
- Establishes a view of both the perimeter and the inside DFW networks.
- Includes Dark Web credential leak discovery and reporting and continuous vulnerability scanning and remediation reporting.
- This contract is a response to increased cyber attacks against critical infrastructure with the intent of providing enhanced cyber resiliency for DFW Airport.

**\$664,368.07**

ACTION  
AMOUNT

**Various**

FUNDING  
SOURCE(S)

**31% Goal**

D/S/M/WBE  
PARTICIPATION