



Official Minutes
ALASKA AEROSPACE CORPORATION
Board of Directors Telephonic Meeting
January 19, 2017 - Anchorage, Alaska

1. Call to Order

Chairman Dr. Robert McCoy called the meeting of the Board of Directors of the Alaska Aerospace Corporation (AAC) to order at the AAC office in Anchorage Alaska on January 19, 2017 at 10:05 a.m.

The following Board members were present Via Telephone:

Dr. Robert McCoy; Chair, University of Alaska Fairbanks Geophysical Institute
Bruce Abel; CEO, Don Abel Building Supply
Dr. Ronald M. Sega; Director, Systems Engineering at CSU
Lindsay Knight; Owner, Kodiak Athletic Club
Robert Doehl; Deputy Commissioner – DMVA
Lee Ryan, Vice President, Ryan Air
Representative Louise Stutes (Alaska State Legislature), Non-Voting

Leila Kimbrell and Bill Bittner; Legal Counsel, Birch Horton Bittner & Cherot
Eric T. Sanders, Attorney at Law, Outside Counsel
Mike and Juli Comer, Door Tech LLC
Bikky Shrestha, BDO Senior Audit Manager

Also present were Craig E. Campbell, President and CEO; Mark Greby, Sr. Vice President and COO; Judith Godin, Finance Division Lead; John Cramer, Finance and Administration; Art Isham, Contracting and Procurement Consultant; Barbara Bruggenkamp, Administrative Manager

CAMBELL announced the meeting will be recorded, excluding Executive Session. Campbell thanked the board for participating per the Governors directive to maximize telephonic meetings and reduce travel.

2. Roll Call

Roll call was taken and a quorum established.

3. Approval of the Agenda

McCOY asked for a motion to approve the agenda, Knight made a motion seconded by Abel and hearing no objections the agenda was approved.

4. New Business

a. AAC 2016 BDO Audit Report

GODIN introduced Bikky Shrestha, BDO Senior Audit Manager. Shrestha reviewed the annual Financial Statements and Audit completed by BDO. Shrestha reported a minor Finding: 2016-001 – Timely Close and Reconciliation of General Ledger related to having records available and ready for audit. He also stated that a corrective action plan has been put in place. Other than this finding, AAC received an “unqualified audit report,” which means it is accurate.

McCOY said it was a very thorough document and opened the floor to discussion.

CAMPBELL addressed the finding, noting BDO reported our staff needs additional assistance. An employment request was put out for a Chief Financial Officer and we anticipate bringing that person on by March. Hearing no further questions McCoy asked for a motion to adopt the Audit Report as written. Knight motioned, seconded by Abel, roll call vote was taken and passed unanimously to approve the Audit Report as written by BDO.

b. DOOR TECH INC. NOTICE OF APPEAL: Requested by DoorTech, related to the award of installation of Spacecraft Assembly and Transfer (SCAT) Facility Overhead Door Installation Proposal to Door Systems. NOTE: The Board may enter into executive session to deliberate this appeal and seek the advice of counsel.

COMER addressed the Board regarding the contract awarded to Door Systems to replace the doors in the SCAT. Comer believes they, Door Tech LLC, should have been given the contract and argued the award was unfair and procurement guidelines were not followed.

SANDERS confirmed that DoorTech wanted the award cancelled to Door Systems and awarded to Door Tech.

KIMBRELL spoke on behalf of Alaska Aerospace Corporation stating AAC acted in good faith in fair and honest consideration of the proposals. They acted within the broad stroke of discretion that is entrusted to a procurement official and procurement policy. Any perceived violation did not result in any damages suffered by any bidder.

KIMBRELL said the contract had been awarded, executed and is well underway. Alaska Law is very clear where a public contract has been awarded the unsuccessful bidder is entitled to at most the cost of their bid preparation. The administration is urging the Board deny the appeal for the reasons set forth in our response.

ISHAM reviewed the contract file and supporting documents with the Board. Isham stated BRPH, our engineer of record was consulted and determined both Door Systems and Door Tech offered a comparable product per project specification section 08370, Section 2.1.A . The DoorTech proposal was considered non-responsive by AAC because of two elements not covered in the proposal, which requested a complete bid. The first element was the non-inclusion of door framing, estimated by AAC from prior DoorTech bids to Davis Constructors and Engineers at approximately \$170K.

CAMPBELL stated the second element was the requirement by DoorTech for AAC to provide forklifts, manlifts, fuel, etc. to support installation, valued at approximately \$10K.

CAMPBELL clarified that Alaska Aerospace makes no statement that what Door Tech provided is not a quality product. The issue is who provided the responsive bid, the lowest cost, and best value.

5. Executive Session

McCOY asked for a motion to go into Executive Session to discuss the Door Tech appeal. Motion made by Knight, seconded by Abel. Roll call vote was taken and the Board moved to Executive session at 11:11 a.m. and returned to public session at 11:30 a.m.

SANDERS, thanked the Comers for their presentation made for Door Tech noting it was educational and helpful. Sanders said on behalf of the Board of Directors, we are informing you today the appeal has been denied. You will be receiving a formal decision document within the next week.

6. Action Items

None

7. Any Other Matters to Properly Come Before the Board

None

8. Board Member Comments

KNIGHT asked if there had been an update on Arizona's Senator Flake, because his newsletter listed Kodiak as the number one wasted spending for the federal government in 2017. Campbell said Flake's information was 20 years old, and he has sent a letter to the editor of the Kodiak Daily Mirror noting how incorrect the article was. Campbell hopes to minimize the debate, however needs to make sure the record is correct.

McCOY thanked everyone for calling in and participating admitting it's a bit difficult doing this on the phone but it was successful.

9. Adjournment

A motion by Knight, seconded by Abel to adjourn, hearing no objections meeting adjourned at 11:42 AM.