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# AirportNews

FAA Central Region Airports Division

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*Airport NEWS is a quarterly newsletter of the FAA Central Region Airports Division; providing airport managers and consultants with timely and useful information to help them serve their aviation customers. Suggestions and articles are welcome and may be sent to [mark.sedarous@faa.gov](mailto:mark.sedarous@faa.gov). If you require assistance with this document or request reasonable accommodation, please call (816) 329-2600.*

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## Manager's Message

Thank-you to all of you who participated in our 28th annual Central Region Airports Conference last week in Kansas City. Because of your active participation, it was another huge success. We always appreciate the opportunity to meet and talk with you. With 450 participants, 35 exhibitors and 20 technical sessions, the conference provides an excellent opportunity to expand our knowledge of aviation issues, exchange information with our peers, and build networking relationships. We hope you enjoyed the conference and found it helpful. I know we did. If you did not make it this year, we hope you can join us next year. Dates for next year's conference have not been set yet, but we will get that information out to you as soon as possible. As requested, we will be placing all of the conference presentations on our [conference website](#) later this month.

We continue to keep a close eye on what congress does with reauthorization. In mid-September we received another extension (if you are still counting, I believe it is the 22nd). This extension will take us through January 2012. Although it is anyone's guess as to whether we get another extension or a long-term reauthorization bill next, we need to prepare for FY 2012 Airport Improvement Program (AIP) projects now. Please continue to work closely with your FAA planner/engineer on your upcoming projects. We want to make sure you are in position to get good bids and start construction as soon as possible next year.

**Jim Johnson**  
**Manager, Airports Division**

## Who's Who in the Central Region

With the new fiscal year comes a new division of responsibilities here in the FAA Central Region Airports Office. The following is the breakdown for FY 2012 to assist you in determining the appropriate regional contact. You may access the [Central Region Personnel Roster](#) for further contact information.

### Standards and Engineering Section

**Don Harper** – Development and equipment projects in Iowa where the associated city starts with the letters A-N (excluding DSM).

**Nardos Wills** – Development and equipment projects in Kansas where the associated city starts with the letters A-N

**Ed Hyatt** – Development and equipment projects in Iowa and Kansas where the associated city starts with the letters O-Z.

**Steve Whitton** – Development projects in Nebraska

**Wayne Halter** – All projects at Kansas City (MCI and MKC), Columbia and Joplin; Equipment projects in Nebraska and Missouri.

**Mike Rottinghaus** – All projects at St. Louis, Springfield and Des Moines; Regional Web Manager.

**Doug Johnson** – All pavement issues in the Central Region. Administration of the Missouri State Block Grant program.

**Gayla Rich** – All land acquisition projects.

### Planning Section

**Mark Schenkelberg** – Planning Section team lead; SMS Coordinator

**Todd Madison** – Planning projects at Kansas City (MCI and MKC), Columbia, Joplin, St. Louis, Springfield and Missouri State Block grant; Capacity and Noise Projects

**Scott Tener** – Planning project in Iowa

**Jeff Deitering** – Planning projects in Kansas excluding SE section of Kansas

**Doug Anderson** – Planning projects in Nebraska

**Glenn Helm** – All environmental projects in Central Region

**Mark Sedarous** – All Wildlife projects in Central Region; Planning project in SE section of Kansas.

## FAA Social Media

It's official! The FAA is now on [Facebook](#) and [Twitter](#). Visit for up to date press releases, Temporary Flight Restrictions (TFRs) and news updates.

## Free Training for Airports



A great opportunity for free training with no travel or other costs is now available! The Airport Cooperative Research Program (ACRP) has made special arrangements to provide this valuable training to airports through an online webinar series. These 3 webinars are offered at no charge to airport organizations, thanks to the thoughtful support from the sponsors of these webinars. The following training is available:

**October 24, 2011** – Wildlife vs. Airports: Techniques for Repelling and Deterring Birds and Animals

**November 14, 2011** – Current Trends at Airports: Rights and Responsibilities

**December 5, 2011** – Small Airports: Practical Guidance for Survival

To register for this free training, please visit the [TRB Webinar Program](#) website.

**FAA Central Region**

## Improper Payments and Cost Accounting



A recent national audit has revealed some deficiencies in how AIP grant sponsors account for non-AIP work within an AIP funded project. An accurate cost accounting of AIP eligible work separate from that of non-AIP work is critical towards preventing improper payments. A Sponsor's cost accounting and record keeping must be sufficient to allow a third party auditor the ability to easily review and verify AIP costs separately from that of non-AIP costs.

For the benefit of Sponsors and their consultants, we present three scenarios and associated best practices that sponsors should apply for proper cost accounting.

### 1. Eligible costs exceed available grant funds:

Projects where AIP funding is limited at the time of the grant offer thus requiring other funding sources to address costs that may otherwise be eligible. Examples include large airfield projects and letter of intents (LOIs). Some best practices to avoid improper payments include:

- Maintain cost accounting records that documents AIP funded costs separately from other non-AIP funding sources (State, Local etc).
- Establish clearly defined limits for AIP work elements as part of the bid solicitation.
  - Avoid general proration of costs whenever possible.
  - Establish measurable units of work that separately define AIP and non-AIP work.
  - For unit price contracts, this is best accomplished by a separate bid schedule.
  - For lump sum contracts, the delineation may occur per a defined schedule of values.
  - Make bidders aware of separate funding sources.
- Consult with FAA prior to shifting eligible costs from non-AIP funding sources to AIP funding or vice versa. The sponsor must submit adequate justification for such cost shifts. Invoices should clearly document the shift in costs.
- Require invoices to delineate AIP costs separately from that of non-AIP costs.

### 2. Ineligible Work is Included with AIP eligible work:

The FAA generally discourages the practice of incorporating ineligible work within an AIP eligible contract. There must be a convincing and compelling reason to include ineligible work within an AIP funded project.

If it is difficult to clearly separate costs between AIP and ineligible work, the FAA may request removal of the ineligible work from the bid solicitation. If the FAA approves incorporation of ineligible work, best practices to avoid an improper payment include:

- Sponsor must seek FAA approval prior to incorporating ineligible work within an AIP funded project.
- The bid proposal must clearly delineate AIP eligible work items separately from ineligible work items by using measurable units of work.
  - Avoid general proration of costs whenever possible.
  - For unit price contracts, this is best accomplished by separate and specific contract line items or by separate bid schedules.
  - For lump sum contracts such as for building construction, the delineation may occur per a defined schedule of values. Example: AIP participation for a building could be limited to costs associated with the foundation, super-structure and etc; ineligible costs would be defined as furnishings, ineligible areas, artwork and etc.
- Invoices and billings statements must clearly define AIP eligible costs separately from ineligible costs.

### 3. Property Acquisitions:

Because of the uncertainty associated with land acquisition costs, the Central Region as a general practice does not initiate a grant offer for land acquisition until the sponsor has finalized all costs related to the acquisition. This practice protects the Sponsor from situations where they may incur costs that are otherwise eligible but cannot seek reimbursement due to statutory limitations for amending the grant.

Other best practices for avoiding improper payments include:

- Maintaining clear and accurate accounting records for all property acquisitions.
- Establish grant descriptions that clearly state what parcels/tracts the grant agreement is addressing.
- For each grant agreement, clearly document and graphically delineate (exhibit A) all parcels/tracts that are being acquired under that agreement.
- Provide appraisals and review appraisals that match parcels to associated documents and exhibits.
- Avoid movement of costs between grant agreements. The AIP Handbook (Order 5100.38) paragraph 1141 (b) (2) states: "In grants that contain land acquisition, land parcels for which costs have been incurred during the grant period may be deleted but cannot be reprogrammed in another grant. If costs have not been incurred for the land during the grant period, it may be deleted and then later reprogrammed."
- Sponsor should only make a drawdown for a property acquisition once all costs are finalized and approved by the FAA.

**FAA Central Region**  
**FAA Headquarters**

## Feral Pigeons Have No Boundaries

Having a common presence within the urban environment, feral pigeons carry an immense risk to aviation worth addressing. Because of their abundance near airports, flocking behavior and erratic flight patterns, feral pigeons rank as the second most frequently struck bird group.

Over 11 million dollars in economic losses from pigeon/dove strikes have been reported to the FAA Wildlife Strike Database during the past 20 years. It is important for airports and their neighbors to adopt pro-active measures to lessen the risks associated with these birds to protect the flying public.



**Flock of feral pigeons at a Midwest airport  
flying within a nearby rail yard**  
*(Photo courtesy of USDA)*

In order to gain long-term success, it is vital to develop a control plan in partnership with the other local businesses and industries of the area. Cooperation with airport neighbors is crucial because birds often only use the airport for part of their biological requirements (food, water, loafing, and roosting sites). Participation from as many neighbors as possible is key, because birds will seek refuge at locations lacking control, and abundance will grow vigorously through reproduction. Airports should educate neighbors about the hazards pigeons pose to aircraft and encourage them to adopt a no-feeding policy, remove food available to the birds, and exclude birds from roosting and loafing sites.

As airports become more urbanized, wildlife threats will change, and airports must adapt. Feral pigeon conflicts at airports will increase as development fills in around airports. Pigeons can be successfully controlled on and off the airfield using a multi-faceted control approach, carried out by several stakeholders.

**USDA Wildlife Services**

## Change Orders under the AIP

Sponsors of AIP development projects may find it necessary to issue a contract modification to facilitate the original intent of the project. Sponsors generally address such modifications by issuing either a change order or a supplemental agreement.

All contract modifications require additional FAA review for purpose of determining AIP eligibility. The FAA will review the modification to determine if adequate justification exists for AIP participation and to determine whether the cost of the modification is fair and reasonable. As a best practice, Sponsors should consult with the FAA project manager prior to incurring costs associated with any contract modification.

### Justification

To remain AIP eligible, there must be adequate justification to add or delete work items. Proposed modifications should be those necessary to fulfill the original intent of the project. Sponsors should not use change orders or supplemental agreements to add work that is outside of the original approved scope of work simply. As a project nears completion, Sponsors may find that they have excess funds in their grant. The availability of excess funds is not justification for adding extra work. Unless otherwise authorized by the FAA, Sponsor must return any savings that may result from the original construction effort back to the AIP project.

### Price

Change orders that modify quantities of existing contract work items must generally use the contract unit price to establish a fair and reasonable price for the modification. The exceptions to this are changes to lump sum contract items and 25% quantity changes to a major contract item. Major contract items are those items that represent at least 20% or more of the total contract price. Such modifications require an equitable price adjustment based upon an acceptable cost analysis and negotiation.

Modifications that address extra work or supplemental work are non-competitive proposals. Sponsors **must** conduct a cost analysis whenever price competition is inadequate, which is the case with non-competitive proposals. The Sponsor, through their consultant, must prepare an independent estimate prior to entering into negotiations with the contractor. As part of the negotiations process, the Sponsor must negotiate profit as a separate element of the price. The Sponsor must adequately document the negotiations and cost analysis for the purpose of a third party audit.

### Time Critical Modifications

While it is a preferred practice to establish a formal change order prior to completing work associated with a modification, we also recognize that there are situations where time is critical and that the preparation of a formal change order could cause delays to a project. For time sensitive modifications, the FAA Central Region will consider a verbal approval of a Sponsor modification. Such approval actions are conditioned upon the Sponsor promptly following-up the verbal approval with the formal documentation.

The verbal approval approach does not supersede the Sponsor's responsibility to conduct a cost analysis. The Sponsor or their consultant must still prepare an engineer's before negotiating with the contractor. Once an informal agreement is reached (preferably in writing) and FAA verbal approval is obtained, the Sponsor may direct the contractor to proceed with the work.

If time constraints make it not feasible to negotiate a price for a contract modification, the sponsor may use the "time and material" method to address the additional effort. Use of this method does require prior FAA approval. All claimed costs under a time and material modification must comply with 48 CFR Part 31. The Sponsor must adequately document labor hours, expenses and profit in a manner suitable for confirmation by a third party audit. Use of "time and Material" is generally a method of last resort.

## Contract Time

All contract modifications should address whether or not there is an adjustment of the contract time. Sponsor should avoid the practice of postponing the consideration of contract time extensions until the project is complete. Each contract modification that addresses extra work must address contract time adjustments at the negotiation phase. The only exception to this constraint is addressed within paragraph 80-07 of AC 150/5370-10. At the time of final payment, the contract time shall be increased in the same proportion as the cost of the actually completed quantities compared to the originally estimated quantities.

How a Sponsor administers contract modifications is critical to whether or not AIP will participate in the costs associated with the modification. Sponsors and their consultants should keep the following in mind when considering a contract modification.

1. FAA approval of a contract modification does not represent a commitment of additional AIP funds. Only an amendment to the grant agreement can modify the original obligation.
2. Failure to follow required processes when administering a contract modification may lead to a determination of an "improper payment". Sponsors must immediately reimburse the AIP project the value of any improper payment discovery.
3. Sponsors may not make a drawdown based on costs associated with a modification prior to receiving FAA approval. Such actions represent an improper payment.
4. Incorrect administration of a change order will result in an improper payment determination once the Sponsor seeks reimbursement. Examples include:
  - Foregoing the cost analysis
  - Negotiating the contract modification after work is complete.
5. Paying for contract modification work before establishment of a formal contract modification represents an improper payment.
6. The FAA's review is limited to a determination of AIP eligibility. The Sponsor is the responsible authority, without recourse to the FAA, regarding the settlement and satisfaction of all contractual matters.

## Recently Revised or New FAA Publications (a selected list)

### Advisory Circulars (AC)

- [AC 150/5300-17C](#) (pdf) - Standards for Using Remote Sensing Technologies in Airport Surveys
- [AC 150/5335-5B](#) (pdf) - Standardized Method of Reporting Airport Pavement Strength – PCN
- [AC 150/5345-28G](#) (pdf) - Precision Approach Path Indicator (PAPI) Systems
- [AC 150/5345-39D](#) (pdf) - Specification for L-853, Runway and Taxiway Retroreflective Markers
- [AC 150/5345-47C](#) (pdf) - Specification for Series to Series Isolation Transformers for Airport Lighting Systems.
- [AC 150/5370-2F](#) (pdf) - Operational Safety on Airports During Construction
- [AC 150/5370-11B](#) (pdf) - Use of Nondestructive Testing in the Evaluation of Airport Pavements
- [AC 150/5370-15B](#) (pdf) - Airside Applications for Artificial Turf
- [AC 150/5345-53C, Airport Lighting Equipment Certification Program](#) (pdf) - September 2011, Addendum to appendices 1, 3, and 4. (Note: This AC is updated the 15<sup>th</sup> of every month)

## Cancelled Documents

- **AC 150/5220-4B** – Water Supply Systems for Aircraft Fire and Rescue Protection
- **AC 150/5360-8B** – Announcement of Availability of Information on Foreign Airport Planning, Design, Construction, and Trade Opportunities
- **Engineering Brief No. 70** - Accelerated Alkali-Silica Reactivity in Portland Cement Concrete Pavements Exposed to Runway Deicing Chemicals

## Engineering Briefs

- [EB-74A](#) (pdf) - Use of 150-foot (45-M) Wide Runways and Blast Pads for Boeing 747-8 Operations

For a more complete list, please visit our website [News and New Resources for Airport Projects](#). To receive automatic e-mail notification of changes, users may click on the "Subscribe" option at the top of webpage. Users will be prompted to provide their e-mail address.

## Arrivals and Departures

### Central Region Airports Division – Kansas City, MO

#### Arrivals –

**Chris Hugunin** – Please join us in welcoming Chris to Central Region for a 30 day detail. Chris originates from the Kansas City Metro area where he worked in the private consulting world before joining the ranks at the FAA headquarters in Washington, DC.

## Calendar of Events

Date	Event
October 4 & 5 <sup>th</sup> , 2011	<a href="#">Airport Pavement Maintenance and Evaluation Workshop</a> American Association of Airport Executives (AAAE) Denver, CO
October 24-27, 2011	<a href="#">Bombardier Safety Stand Down</a> Wichita, KS
October 31 – November 2, 2011	<a href="#">Airports Going Green Conference</a> Chicago, IL