

AGENDA ITEM SUMMARY

☒ Consent ☐ Regular
☐ Workshop ☐ Public Hearing

Submitted By: Department of Airports

I. EXECUTIVE BRIEF

Summary: Delegation of authority for execution of the standard County agreement above was approved by the BCC in R-2014-1033. Countywide (AH)

Attachments: One (1) First Amendment to the Signatory Airline Agreement

Approved By: pol [Signature] 12/6/16
County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	<u>(\$316,750)</u>	<u>(\$316,750)</u>	<u>(\$316,750)</u>	<u>\$-0-</u>	<u>\$-0-</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT *	<u>(\$316,750)</u>	<u>(\$316,750)</u>	<u>(\$316,750)</u>	<u>\$-0-</u>	<u>\$-0-</u>
# ADDITIONAL FTE	_____	_____	_____	_____	_____
POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No _____

Budget Account No: Fund 4100 Department 120 Unit 8430 RSource 4414
Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

* The changes to JetBlue's leasehold areas were effective September 1, 2016, and resulted in an increase of 4,491 SF. The FY16 rental rate was \$69.07 per SF per year for a fiscal impact increase of \$25,849.45. The FY17 rental rate is \$70.53 per SF per year (future years use this rate as an estimate). Fees are calculated based on the Signatory Airline Agreement, adjusted annually for current operations and maintenance costs and debt service allocations. Airline revenues are budgeted in total by revenue source based on projected activity. The Signatory Airline Agreement expires on September 30, 2019.

C. Departmental Fiscal Review: CM Summer

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

[Signature] 11/16/16
OFMB 8/11/16

[Signature] 12/2/16
Contract Dev. and Control

B. Legal Sufficiency:

Anne Delgado 12-6-16
Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 9/03

ADM FORM 01

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)



SUBJECT: Signature Authorization Policy

EFFECTIVE DATE: MARCH 1, 2013

SUPERSEDES: Signature Authorization Policy, rev 03/11

OWNER: Vice President, Controller

RELATED POLICIES: Contract Review and Central Depository Policy
Business Case Policy
Supply Chain Policy

1.0 Purpose

The purpose of this Policy is to establish the approval guidelines and limits for the purchase and sale of goods and services and other transactions that commit JetBlue Airways Corporation (JetBlue or the Company). Appropriate authorization must be obtained prior to ordering goods or services and, in no event, will payment be made prior to receiving proper authorization.

2.0 Scope

This policy applies to all Crewmembers of JetBlue, including all subsidiaries of JetBlue, excluding the following:

- LiveTV
- Fuel, FFPs, interest rate and other types of hedging and volatility mitigants
- Crewmember expenses

3.0 Responsibilities

- 3.1 The Corporate Controller is responsible for the content of this policy. Any updates to this policy, other than typographical or non-material updates, must be approved by the Chief Financial Officer and reviewed by the Executive Leadership Team and/or the Audit Committee as necessary.
- 3.2 By entering into a contract:
- The Business Sponsor, typically a vice president, is acknowledging that they are knowledgeable of the transaction, have received feedback from all affected stakeholders and that the transaction conforms to Company policy and goals. The Business Sponsor is also assuming overall responsibility for the execution and performance contemplated by the contract.
 - To the extent required, the signatures required of senior vice presidents and vice presidents affirm that the contract adheres to all applicable JetBlue policies and procedures, including this one.
- 3.3 By approving an invoice or initiating a purchase order, the approver is attesting to the accuracy of the invoice or purchase order to the underlying contract. (i.e. goods or services are received in accordance with the terms and conditions.)

4.0 Delegation

Crewleaders may delegate their approval limits; however delegation of authority may not be permanent and must be limited in duration. Any delegation must be approved by the Corporate Controller or his/her representative.

5.0 Approval Levels

- 5.1 General – The maximum approval levels set forth below are applicable, unless addressed elsewhere within this policy. Approvals should be obtained within the organization who is managing the relationship or budget (i.e. a Crewmember, by virtue of his/her title alone, should not have the authority to bind the Company or to disburse funds). Unless provided for elsewhere in this policy, all contracts require VP approval.

	Contract Value	POs and Invoices
CEO	NL	NL
CFO	100.0M	100.0M
EVP	25.0M	25.0M
VP/SVP	5.0M	5.0M
Director		500k
Manager		100k
Admin ₁		1k

₁ As designated by departmental VP.
Does not require secondary approval

5.2 Airports & Corporate Real Estate

Spend that is unique to airports and that requires separate levels includes airport facilities space, landing fees and passenger taxes/fees. In addition to the general approval levels described in Section 5.1, the following upper limits apply for airports:

	Airport Rents & Landing Fees			Passenger Taxes & Fees
	Lease {Contract Value}	Rent Invoices	Landing Fee Invoices	
CEO	NL	NL	NL	NL
EVP	\$100.0M	\$ 100.0M	\$ 100.0M	\$ 100.0M
VP, Airports	n/a	\$ 5.0M	\$ 5.0M	\$ 5.0M
VP, CRE	10.0M	n/a	n/a	n/a
Director, Bluecities	n/a	250k	500k	1.0M
Station GM	n/a	100k	250k	500k

5.3 Commercial

Commercial Vice Presidents have the ability to approve all interline and unilateral partnership agreements, including special prorate agreements. They also have the ability to approve all corporate sales contracts, Global Distribution Services (GDSs) agreements and Online Travel Agencies (OTAs) agreements. Because of the increased complexity of bi-lateral code share agreement on our operations, approval of these resides with the executive vice president of Commercial.

To the extent they exceed the general approval limits outlined in Section 5.1, advertising, co-branded credit card and similar arrangements and invoices may be approved and/or executed by the either the commercial senior vice president or executive vice president.

The offering of vacation packages requires that we enter into numerous agreements with hotels, car rental agencies, and activity providers. Because of the volume of these agreements and the fact that they do not generally include a minimum commitment, they may be executed by managers within the Commercial team.

5.4 Technical Operations

Maintenance related spending requires separate approval levels includes long-term maintenance contracts. Although typically higher dollar value, ongoing spend associated with power-by-the-hour agreements comes is relatively low risk. Conversely, time and materials maintenance spend, although frequently lower in total dollar amount, should be analyzed and scrutinized more. In addition to the general approval levels described in Section 5.1, the following upper limits apply for Tech Ops:

	MX Contracts	Invoices/P.O.s		
		Engine PBTH	Engine T&M	Other
CEO	NL	NL	NL	NL
EVP	100.0M	\$ 100.0M	\$ 100.0M	\$ 100.0M
SVP	50.0M	25.0M	25.0M	25.0M
VP	5.0M	12.0M	5.0M	5.0M
Director		5.0M	2.0M	1.0M
Manager		500k	500k	500k
Buyer/Coordinator		100k	100k	100k

5.5 Crew Hotels

Our business requires that we have agreements with hotels in the cities that we serve. Crew hotel contracts may be approved by vice president with oversight over that area and crew hotel invoices may be approved at the director level.

5.6 People & Payroll

We rely heavily upon our information systems for processing of payrolls as well as the related taxes and 401k contributions. Outside of normal recurring payroll processing, we periodically perform and fund 401k employer true-up contributions as well as profit-sharing or Retirement distributions as well as performance bonuses. Disbursements associated with normal recurring payroll processing need only be approved by the payroll manager. All performance based bonus payments, profit-sharing contributions, 401k true-up contributions and other non-routine disbursements should be subject to a more rigorous review process. If non-routine disbursements total less than \$1M, they need only have approval of a manager in both the People and Payroll departments. To the extent these amounts exceed \$1M, they will also require approval from both the Corporate Controller and a VP of People.

5.7 Fuel

The following upper limits apply for to disbursements related to the physical procurement of fuel and the prepayment of the same:

CEO/CFO	NL
SVP	\$ 75.0M
VP	50.0M
Director	20.0M
Manager	50.0K

5.8 Treasury

The nature of the departmental work within the Treasury Department includes several areas that routinely exceed the general approval levels:

- Aircraft related commitments, including those for the acquisition or disposal of airframe and/or engines, related parts as well as financing and financing fees for the same.
- Insurance –Insurance contracts are usually executed on an annual basis, with premiums paid on either a monthly or quarterly basis.
- Hedging – Hedging transactions are excluded from the scope of this policy as they are governed by a separate policy. Settlements of previously executed hedging transactions may be approved by the Assistant Treasurer, VP or above.

- Financings include scheduled financing payments (i.e those disbursements that we are obligated to based on previously executed financing agreements) as well as unscheduled financings.

In addition to the general approval levels described in Section 5.1, the following upper limits apply to the Treasury Department:

	Contracts		Disbursements		
	Aircraft related Commitments & related financing	Insurance	Aircraft Related Commitments	Financings	Insurance
	NL	NL	NL	NL	NL
CEO					
CFO	250.0M	\$ 100.0M	\$ 250.0M	\$ 100.0M	\$ 25.0M
SVP	50.0M	25.0M	50.0M	25.0M	25.0M
VP	5.0M	5.0M	5.0M	5.0M	5.0M
Director			1.0M	500k	2.5M
Manager			100k	100k	10k

Notwithstanding anything contained elsewhere in this policy, including this Section 5.8, any corporate debt or securities issuance shall be authorized and approved by the Board of Directors of the company in accordance with its bylaws, NASDAQ rules and regulations and applicable federal and state law.

5.9 Taxes and Fees(excluding payroll taxes, which are included in section 5.7)

JetBlue remits various taxes and airport fees that routinely exceed the general approval levels. For the majority of these taxes and fees, we act as a conduit, collecting these taxes and fees from customers and remitting them to the various governmental authorities

	Taxes	
	U.S. Federal Excise Tax and Passenger Fees	Passenger Taxes and Fees and All Other Taxes
	NL	NL
CEO		
EVP	\$ 100.0M	\$ 100.0M
SVP	\$ 50.0M	\$ 50.0M
VP	\$ 25.0M	\$ 5.0M
Director, Finance	\$ 20.0M	\$ 1.5M
Manager, Accounting & Tax	\$ 0.5M	\$ 0.5M

6.0 Related Policies

This Signature Policy should be read in conjunction with the JetBlue [Business Case Policy](#), [Contract Review](#) and [Central Depository Policy](#).

JetBlue has a [Related Person Policy](#) which requires that certain transactions involving members of our Board of Directors, significant stockholders or members of JetBlue's management receive Audit Committee approval prior to entering into contractual relationships. Similarly, the [Code of Business Conduct](#) includes provisions relating to conflicts and potential conflicts of interest. All contracts need to comply with both the [Related Person Policy](#), if applicable, and the [Code of Business Conduct](#).

7.0 Interpretation

Notwithstanding any approval thresholds contained elsewhere within this policy, any agreement, transaction or series of transactions ("Material Event") that will or may have a material effect on the business or financial condition of the Company, as determined by the CEO in consultation with ELT, or by the Board of Directors in its independent business judgment, then such Material Event shall be presented to the Board of Directors for its review and approval or ratification.

Appendix A: Definitions and Concepts

Business Sponsor: The Business Sponsor, typically a Vice President, who is responsible for developing the underlying business case and who will manage the execution and performance under the contract after being fully executed.

Contract: A contract is any agreement or document that sets forth rights and obligations of JetBlue and any other third party or parties. Examples of contracts include leases, sponsorship agreements, maintenance agreements, aircraft purchase commitments or non-disclosure agreements. Contracts also include memoranda of understanding, letters of intent or similar and all modifications or renewals of agreements, statement of work, addendum, etc. Prior to execution, all contracts must receive the proper level of authorization.

Contract Signatory: The Contract Signatory is the person who executes a contract on behalf of JetBlue. In cases where the Contract Signatory does not have the authority to execute a contract based on the limits contained within this policy, the Contract Signatory must obtain approval from the person who does have the authority.

Contract Value: Contract Value is the total expected spend or total expected revenue anticipated for the duration of the contract. The Contract Value will likely be higher than the committed value (i.e. the non-cancellable amount JetBlue is committed to under the Contract). If there is a Business Case related to the Contract, the Contract Value should be the amount assumed in the Business Case. For example, The Contract Value of a contract with a 5 year term with anticipate annual spend of \$1,000,000 per year would be \$5,000,000.

If the Contract is an amendment or renewal of an existing contract, the Contract Value is only the incremental value of the amendment or renewal. In our example, a one year extension of the contract for \$1,100,000 would result in a Contract Value of \$1,100,000 and not \$6,100,000.

Invoice: Invoices represent a demand for payment for goods or services by one of our business partners.

Purchase Order: A Purchase Order, or PO, is a legal offer from a buyer to a seller, indicating types, quantities, and prices for products or services the seller will provide to the buyer. Since acceptance of the PO by the seller results in a binding contract, the approvals for procurement via a PO are obtained prior to its issuance.



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Senior Vice Presidents
October 20th, 2016

EXEC CREW



ALEX BATTAGLIA

senior vice president, system operations



WARREN CHRISTIE

senior vice president safety, security and training



NANCY ELDER

vice president, communications



MIKE ELLIOTT

executive vice president, people



JOANNA GERAGHTY

executive vice president, customer experience



ROBIN HAYES

president and chief executive officer



JIM HNAT

executive vice president, corporate affairs, general counsel and corporate secretary



ROB LAND

senior vice president, government affairs & associate general counsel

EXEC CREW



SCOTT LAURENCE

senior vice president, airline planning



JIM LEDDY

senior vice president, treasurer



JEFF MARTIN

executive vice president, operations



MARK POWERS

executive vice president, chief financial officer



LISA REIFER

director, commercial development & strategy



MARTY ST GEORGE

executive vice president, commercial and planning



EASH SUNDARAM

executive vice president innovation and chief information officer

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THANK YOU

**FIRST AMENDMENT TO SIGNATORY AIRLINE AGREEMENT BETWEEN PALM
BEACH COUNTY AND JETBLUE AIRWAYS CORPORATION**

THIS FIRST AMENDMENT TO SIGNATORY AIRLINE AGREEMENT (this "First Amendment") is made and entered into this NOV 02 2016, 2016 by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and JetBlue Airways Corporation, a Delaware corporation, having its office and principal place of business at ~~448-29~~ Queens Plaza North, Long Island City, New York 11101 ("Airline"). 27-06

WITNESSETH:

WHEREAS, County, by and through its Department of Airports (the "Department"), owns and operates the Palm Beach International Airport, located in Palm Beach County, Florida; and

WHEREAS, pursuant to the Signatory Airline Agreement between County and Airline dated November 18, 2014 (R2014-1719) (the "Agreement"), Airline leases various terminal facilities and equipment at the Airport in connection with its operations as a commercial air carrier; and

WHEREAS, the Director of the Department has been delegated the authority to execute certain amendments to the Agreement pursuant to County Resolution No. 2014-1033; and

WHEREAS, the parties desire to amend the Agreement as provided for herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions:

1. The foregoing recitals are true and correct and are hereby incorporated herein by reference and made a part hereof. Terms not defined herein shall have the meaning ascribed to them in the Agreement.

2. The parties agree that effective September 1, 2016, Exhibit "B" (Preferential Use Premises (Terminal Areas)) to the Agreement shall be deleted in its entirety and replaced with Exhibit "B" (Preferential Use Premises (Terminal Areas)) attached to this First Amendment.

3. The parties agree that effective September 1, 2016, Exhibit "C" (Preferential Use Premises (Gate Areas)) to the Agreement shall be deleted in its entirety and replaced with Exhibit "C" (Preferential Use Premises (Gate Areas)) attached to this First Amendment.

4. Exhibits attached hereto and referenced herein shall be deemed to be incorporated in this First Amendment by such reference.

5. Except as specifically modified herein, all of the terms and conditions of the Agreement shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto.

6. This First Amendment shall become effective when signed by both parties hereto and approved by the Palm Beach County Board of County Commissioners.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have duly executed this First Amendment as of the day and year first above written

Signed, sealed and delivered in the presence of two (2) witnesses for County:

Signature Jeffrey S. Bolton
Jeffrey S. Bolton

Print Name
Signature Debra Reese
Debra Reese
Print Name

APPROVED AS TO FORM & LEGAL SUFFICIENCY:

Signature Anne Welford
County Attorney

Signed, sealed and delivered in the presence of two (2) witnesses for Airline:

Signature Mike Stine
Mike Stine
Print Name
Signature Eileen McCann
Eileen McCann
Print Name

PALM BEACH COUNTY, a political subdivision of the State of Florida

BY: Sam Kelly
Director, Department of Airports

Airline: JetBlue Airways Corporation

By: Jim Liddy
Typed or printed name of Corporate Officer

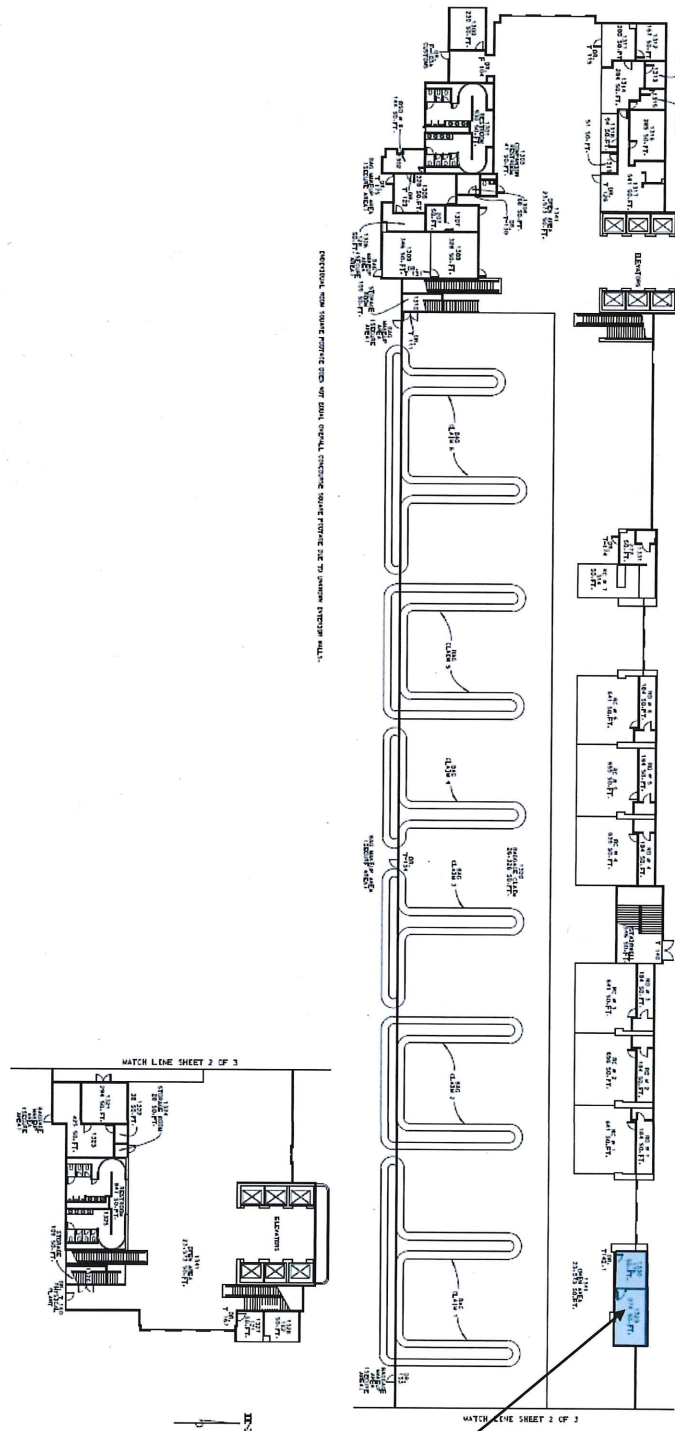
Title: SVP Treasurer

(Seal)



EXHIBIT "B" - Preferential Use Premises (Terminal Areas)
JetBlue Airways

First Level Plan – Palm Beach International Airport Main Terminal



**Bag Service
Office
450 Sq. Ft.**

First Level Plan – Palm Beach International Airport Concourse

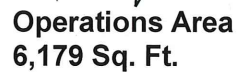


EXHIBIT "B" - Preferential Use Premises (Terminal Areas)
JetBlue Airways

Second Level Plan – Palm Beach International Airport

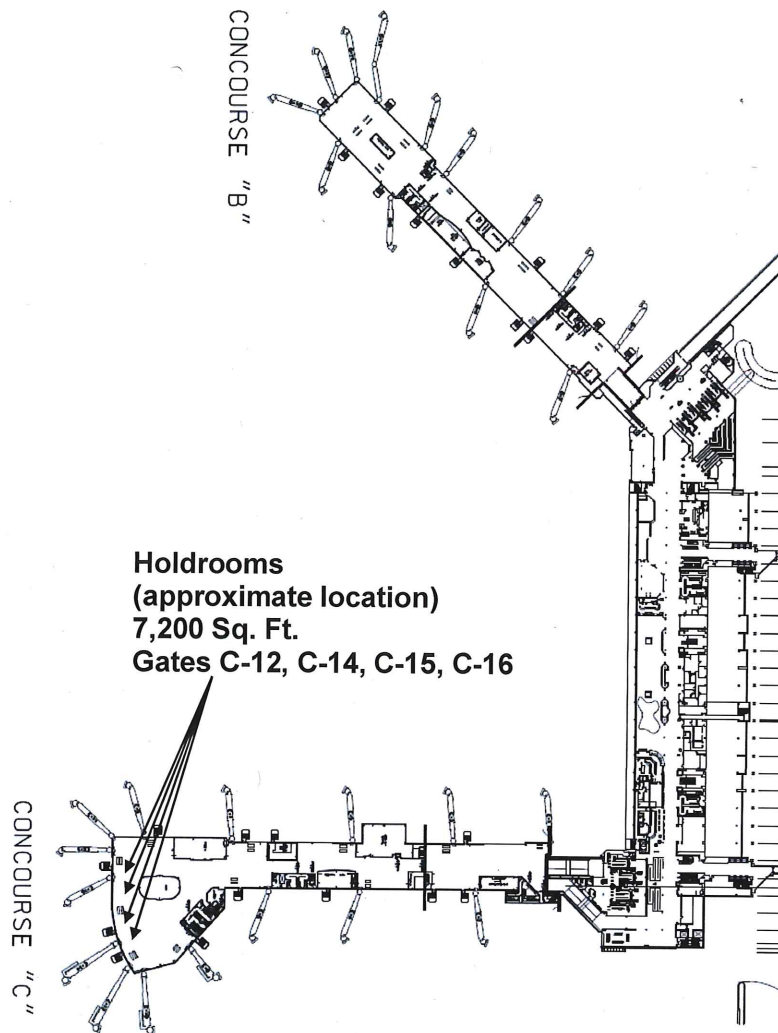


EXHIBIT "B" - Preferential Use Premises (Terminal Areas)
JetBlue Airways

Third Level Plan – Palm Beach International Airport Main Terminal

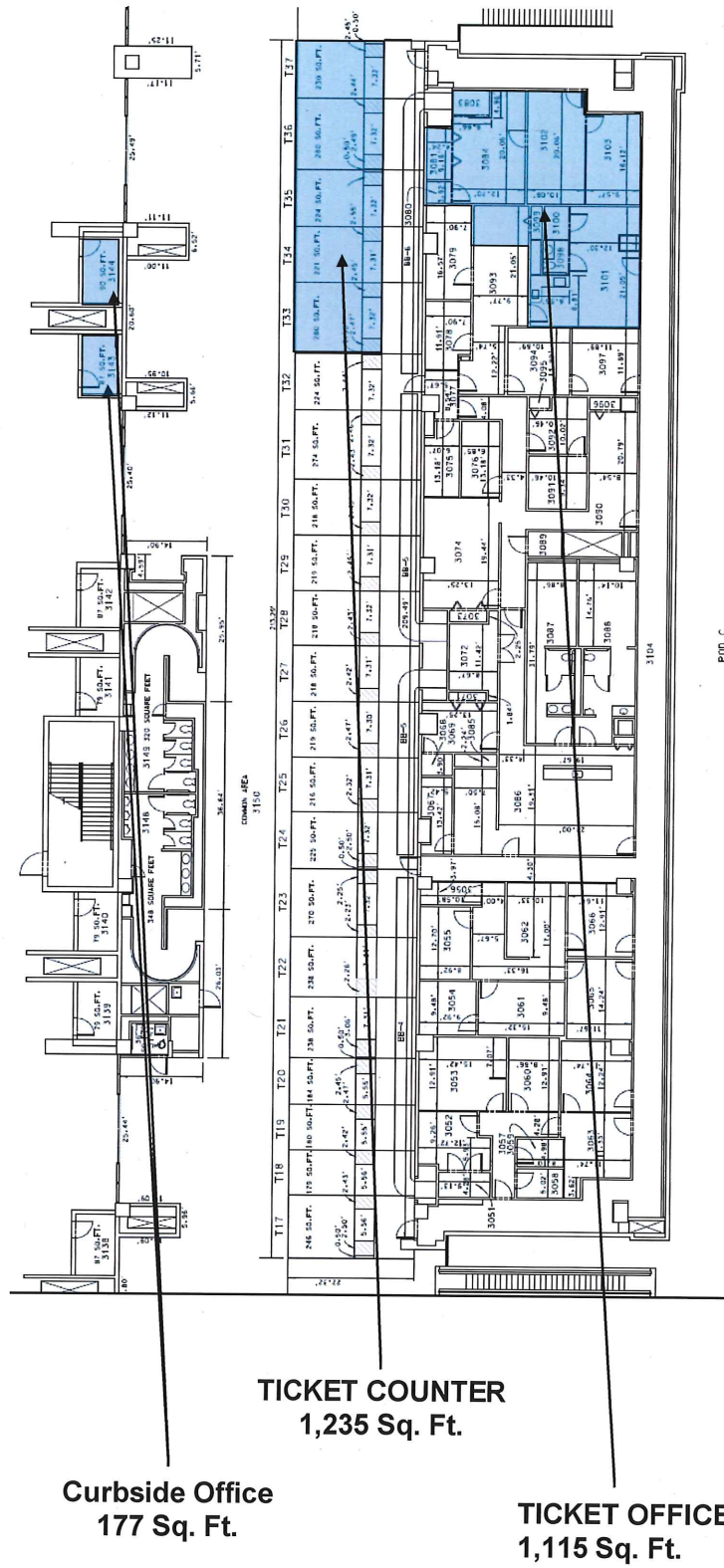
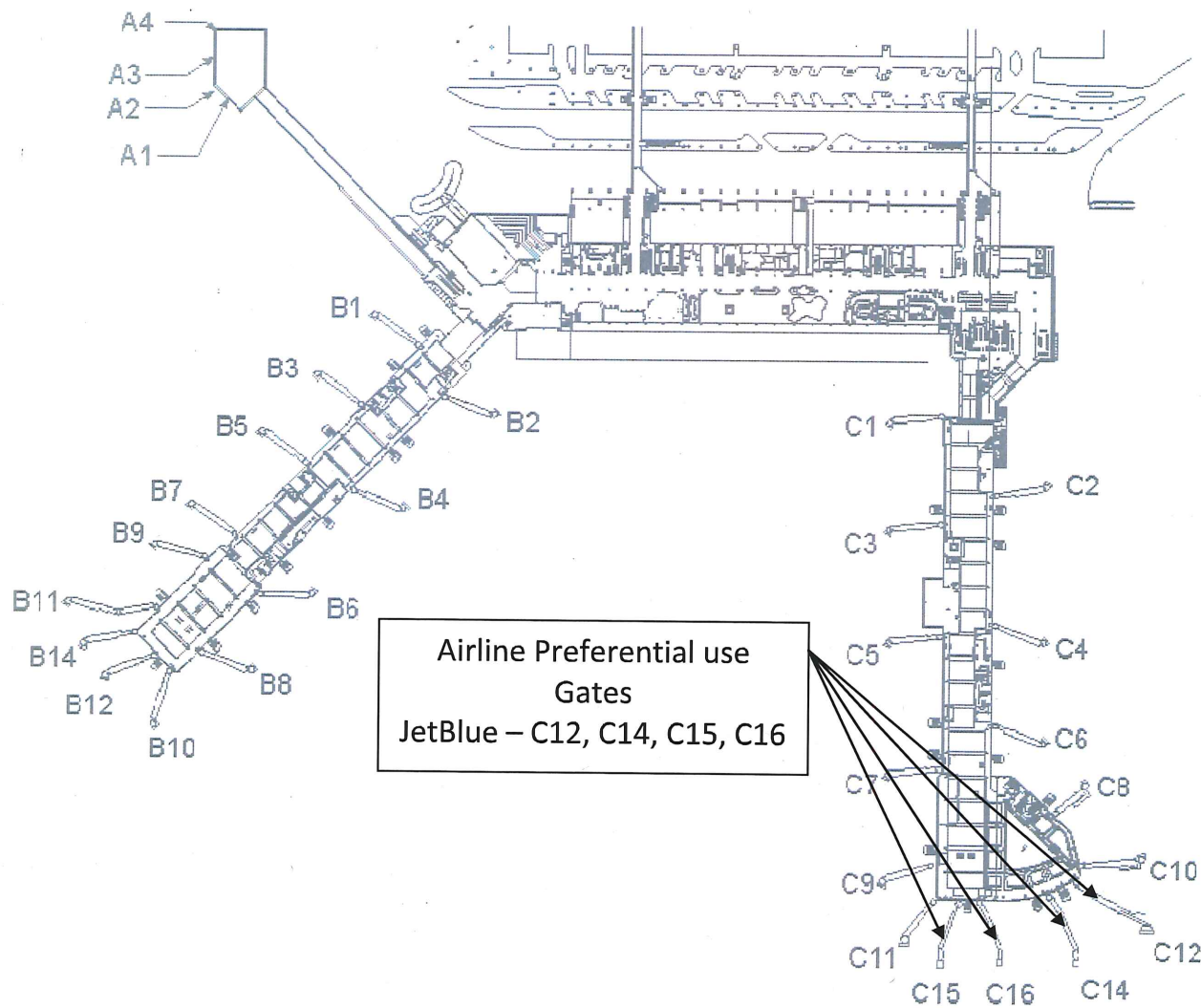


EXHIBIT "C" – Preferential Use Premises (Gate Areas)
JetBlue Airways Corporation



Summary of Certificates

This report displays detailed Certificate of Insurance information for a selected Insured. Any items shown in red are deficient.

Wednesday, November 09, 2016

[Simple View](#)
[Certificate Images](#)
[Contracts](#)

Insured: [JetBlue Airways Corporation](#)

Insured ID: R2014-1719-PBC

Status: [Compliant](#)

ITS Account Number: PLC2310

Project(s): Palm Beach County - Airport Properties

Insurance Policy	Required	Provided	Override
General Liability			
Expiration: 12/1/2016			
General Aggregate:	\$100,000,000	\$100,000,000	
Products - Completed Operations Aggregate:	\$100,000,000	\$100,000,000	
Personal And Advertising Injury:	\$25,000,000	\$25,000,000	
Each Occurrence:	\$100,000,000	\$100,000,000	
Fire Damage:	\$0	\$0	
Medical Expense:	\$0	\$0	
Automobile Liability			
Expiration: 5/1/2017	All Owned Autos	Any Auto not provided	X
	Hired Autos	not provided	X
	Non-Owned Autos	not provided	X
Combined Single Limit:	\$5,000,000	\$6,000,000	
Workers Compensation/Employers Liability			
WC Stat. Limits	WC Stat. Limits	WC Stat. Limits	
Expiration: 4/1/2017			
Each Accident:	\$1,000,000	\$1,000,000	
Disease - Policy Limit:	\$1,000,000	\$1,000,000	
Disease - Each Employee:	\$1,000,000	\$1,000,000	
Aircraft Liability			
Expiration: 12/1/2016			
Each Occurrence:	\$100,000,000	\$100,000,000	
Aggregate Limit:	\$100,000,000	\$100,000,000	

Notifications

There were no deficiency letters issued.

Do you have an updated Certificate? Click the button below to submit a Certificate.

[Certificate Submittal](#)