



**Recommendation to Award
a Sole Source Contract for the Support of
Common Use Airline Equipment, Software
Licensing and Software Maintenance
Services at Washington Dulles International
Airport**

June 2013



Purpose

Staff requests the Business Administration Committee recommend to the Board of Directors the award of a sole source procurement to ARINC, Inc. of Annapolis, Maryland, for the licensing and software maintenance of the vMUSE (virtual Multi-User System Equipment) at Washington Dulles International Airport. The requested contract will consist of a five-year base period with five one-year options.

Background

- As part of the capital construction and expansion of the B Concourse at Dulles International in 1998, the Airports Authority introduced and built its first “Common-use Airline Gates.”
- Common-use gates are designed to support multiple airline users at different times throughout the day. Such gates provide the Airports Authority with maximum flexibility, and are well suited for the kind of international operations provided at Dulles International.



Background

- For multiple airline users to share and cooperatively use the same gate facilities specialized equipment and software to complete the ticketing and boarding process is required. Referred to as “CUTE” (Common Use Terminal Equipment), this equipment and supporting software permits the airlines to process passengers while utilizing a common platform “tied” to their unique company systems.
- The CUTE system hardware is supported by the proprietary vMUSE software, and was factory installed at the time of the original purchase.



Background

- As part of a competitive bid in 1998, the Airports Authority contracted with ARINC, Inc. to install the CUTE hardware and supporting vMUSE software.
- The ARINC-hosted CUTE/vMUSE system is widely used by airlines throughout the world, and meets all airline industry operating standards (such as IATA, FAA etc.) .
- vMUSE is proprietary intellectual property wholly owned by ARINC, Inc. consisting of licensed software, and offsite support services capable of monitoring the conditions of the workstations located throughout the Airport (server rooms, ticket counters, gate hold rooms and podiums, jet bridges etc.).

Contract Requirement

- The vMUSE software and supporting equipment require technical support 24 hours per day, 365 days per year.
- The system at Dulles International consists of 11 servers (domain controllers, redundancy, remote services, gateway portals) connected to each airline's host system, and 356 Airport workstations.
- The current system availability of 99.998 percent needs to be maintained or exceeded.
- Monthly performance reports are required to track and analyze system operation.

Rationale for Sole Source Procurement

- Due to its proprietary nature, changing the vMUSE service provider would require the Airports Authority to replace (at significant expense) the entire CUTE system and firmware.
- Replacing the Airport's CUTE system would be operationally disruptive to airline users, and require each of them to invest up to \$30,000 to ensure compatibility with a replacement system. Turnover to a new system would take 6 to 9 months.
- A new system would also require proprietary licensing with a new contractor, similar to what is in place today.

Rationale for Sole Source Procurement

- Retaining ARINC allows the Airports Authority to incur costs for only licensing and maintenance of existing installed products and allows uninterrupted services to continue.
- The annual software maintenance and licensing costs will decrease from the current \$220,000 to \$206,000.
- The term of this contract is timed to coincide with the likely replacement of the entire CUTE/vMUSE System when it reaches the end of its expected service life.

Additional Information

- As required by the Airports Authority Contracting Manual, Paragraph 2.9.3, notice of this intended sole source award was published on the Airports Authority's website for the required time period.
- The term for this contract consists of a five-year base period with five one-year option periods for a total contract amount of \$2,850,000.



Recommendation

Staff requests the Business Administration Committee approve and recommend to the Board of Directors the award of a Sole Source Procurement to ARINC, Inc. of Annapolis, Maryland, for the licensing and software maintenance of the vMUSE (virtual Multi-User System Equipment) at Washington Dulles International Airport. The requested contract will consist of a five-year base period with five one-year options.