



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

**Report to the Board of Directors
Recommendation to Enter into a Contract to
Purchase Electricity from Dominion Virginia
Power for
Ronald Reagan Washington National Airport,
Washington Dulles International Airport, and
Dulles Toll Road**

May 2014



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Request for Action

The Business Administration Committee approved and recommends to the Board that it approve a sole source contract with Dominion Virginia Power (DVP) to purchase electricity needed for the entire Metropolitan Washington Airports Authority enterprise utilizing the rate structure negotiated with the Virginia Energy Purchasing Governmental Association (VEPGA).



Background

- The Airports Authority currently purchases electricity for all of its facility needs from DVP through membership in the VEPGA.
- VEPGA is composed of over 168 state and local government entities across Virginia.
- VEPGA negotiates electricity rates with DVP on behalf of its membership.
- Current contract with DVP expires June 30, 2014.
- DVP is currently the sole provider of electricity to the regions where Airports Authority facilities are located.



Contract Terms

- Proposed contract is for a one-year period from July 1, 2014 through June 30, 2015.
- Rates remain the same as current rates through June 30, 2015.
- Estimated cost to purchase electricity for all Airports Authority facilities during the term of the contract is approximately \$20 million.
- VEPGA rate structure results in approximately 2.7% savings over DVP commercial rate structure.



METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Recommendation

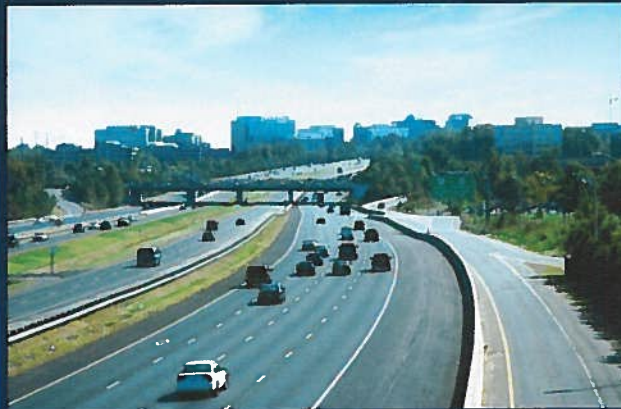
The Business Administration Committee approved and recommends that the Board of Directors approve a sole source contract with DVP for the purchase of electricity for a one-year period from July 1, 2014 through June 30, 2015.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

Proposed Resolution

Authorizing Award of Sole Source Contract to Dominion Virginia Power for the Purchase of Electricity for Airports Authority Facilities

WHEREAS, The Airports Authority currently purchases electricity for all of its facility needs from Dominion Virginia Power through membership in the Virginia Energy Purchasing Governmental Association (VEPGA) which allows the Authority to use the rate structure that VEPGA has negotiated with Dominion Virginia Power;

WHEREAS, The Airports Authority's current contract with Dominion Virginia Power will expire June 30, 2014;

WHEREAS, Dominion Virginia Power is the sole provider of electricity in the region in which all Airports Authority facilities are located;

WHEREAS, The Contracting Manual, in paragraph 1.4.1(3)(d), authorizes the award of sole source contracts "when utility services or supplies are available from only one actual, or practicable, source";

WHEREAS, A contract with Dominion Virginia Power that utilizes the VEPGA rate structure will save the Airports Authority approximately \$540,000 over commercial rates during the one-year contract term;

WHEREAS, As required by the Contracting Manual, notice of this intended sole source award was published on the Authority's website for the required time period; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to award a sole source contract to Dominion Virginia Power for the purchase of electricity, consistent with the terms presented to the Business Administration Committee at its April 16, 2014 meeting.

*Recommended by the Business Administration Committee on April 16, 2014
For Consideration by the Board of Directors on May 21, 2014*

NOTE: Sole source contract - recorded vote required.