

**Report to the  
Business Administration Committee**

**Pre-Solicitation Terms for Management and Operation of the  
Public Parking Concessions and Shuttle Bus Operations  
at both Airports**

**November 2014**

## **Purpose**

Request the Business Administration Committee concur with pre-solicitation terms of a Request for Proposals (RFP) for the management and operation of the public parking concession and shuttle bus operations at Washington Dulles International Airport (Dulles International) and Ronald Reagan Washington National Airport (Reagan National).

## Background

- At both Dulles International and Reagan National, passenger and employee parking is jointly performed under separate contracts, one that operates the Airports' shuttle buses, and the other that manages the parking operations.
- The incumbent shuttle bus contractor for both Airports (*Standard Parking Corporation*) operates Airports Authority-owned buses between the parking lots and the terminals and is paid a fixed hourly rate. For the 2013-2014 contract year, the Airports Authority paid approximately \$9 million at Dulles International and \$8.1 million at Reagan National. These contracts expire on March 31, 2015.
- The incumbent parking operator for both Airports (*Five Star U Street Metro Washington Parking, LLC*) manages 23,476 public parking spaces at Dulles International and 9,661 public parking spaces at Reagan National, which generate annual gross revenues of approximately \$61.5 million and \$52 million respectively. The incumbent is paid a management fee and may receive an incentive fee based on the Airports Authority's evaluation of performance in meeting defined goals. These contracts expire on June 30, 2015.

## Background

Based upon industry research, previous experience, and changing passenger activity at each Airport, staff recommends that the new contracts *combine* both the parking management and shuttle bus operations under a single provider for both Airports. Advantages to the Airports Authority include:

- Increased ability to efficiently and quickly respond to the changing passenger activity levels at each Airport due to evolving airline flight activity.
- More flexibility to directly modify operational requirements such as service levels, route changes, fleet size, etc. as passenger activity levels change.
- Ability to achieve forecasted financial savings of approximately \$1.5 million, by reducing the duplicative management and administrative personnel costs associated with separate contracts, as well as duplicated services and supplies' expenses (i.e. janitorial, payroll, etc.).
- Recognition of the newer bus fleet requiring reduced maintenance time and expense.

## **Evaluation Criteria**

The evaluation criteria will include:

- Past Performance and Experience
- Management Plan
- Operating Budget and Financial Ability to Perform
- Operations Plan
- Personnel and Customer Service Plan

## **Best Value Procurement Process**

- Full and open competition will be achieved through a Best Value Procurement Process.
- Non-price factors and price are separately evaluated and ranked, and the proposal that is found to represent the best overall value to the Airports Authority will receive the contract award.
- A proposal not necessarily the lowest priced, may be awarded if the contract is determined to have additional technical merit in relation to other proposals received.
- The proposed contract term will consist of a three-year base with two one-year renewal options.

## **DBE GOAL**

An ACDBE goal for this solicitation will be 25 percent of the management fees received, and may be achieved by the ACDBE performing as a prime, subcontractor, or joint venture partner. Specific details will be addressed in the solicitation.

## **Recommendation**

Request the Business Administration Committee concur with pre-solicitation terms and the issuance of a Request for Proposals (RFP) for the management and operation of the public parking concession and shuttle bus operations at Washington Dulles International Airport and Ronald Reagan Washington National Airport. The contract awards will require Business Administration Committee and Board approval.





Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY