



**Report to the  
Business Administration Committee**

**Pre-Solicitation Terms for Fixed Base  
Operator Contract at  
Washington Dulles International Airport**

**October 2014**

## Purpose

Staff requests that the Business Administration Committee concur with the solicitation terms and issuance of a full and open competitive procurement, using a “Best Value” approach, for a new Fixed Base Operator contract at Washington Dulles International Airport, for a term of seven years. The Contract award will require Committee and Board approval.

## Background

Fixed Base Operators (FBOs) are airport service centers that provide primary support services for General Aviation aircraft and passengers. These services include:

- aircraft fueling, parking, hangaring, and maintenance;
- ground handling, aircraft towing, de-icing, and baggage handling;
- aircraft charters and rentals;
- passenger handling and customer service; and
- car rentals, hotel reservations, pilot lounges and flight planning facilities.

There are currently two FBOs operating at Dulles International (Landmark Aviation on the west side of the property, and Signature Flight Support on the east). This solicitation is for the contract currently held by Landmark Aviation.

Runway 19C  
Run-up Block

West FBO Leasehold



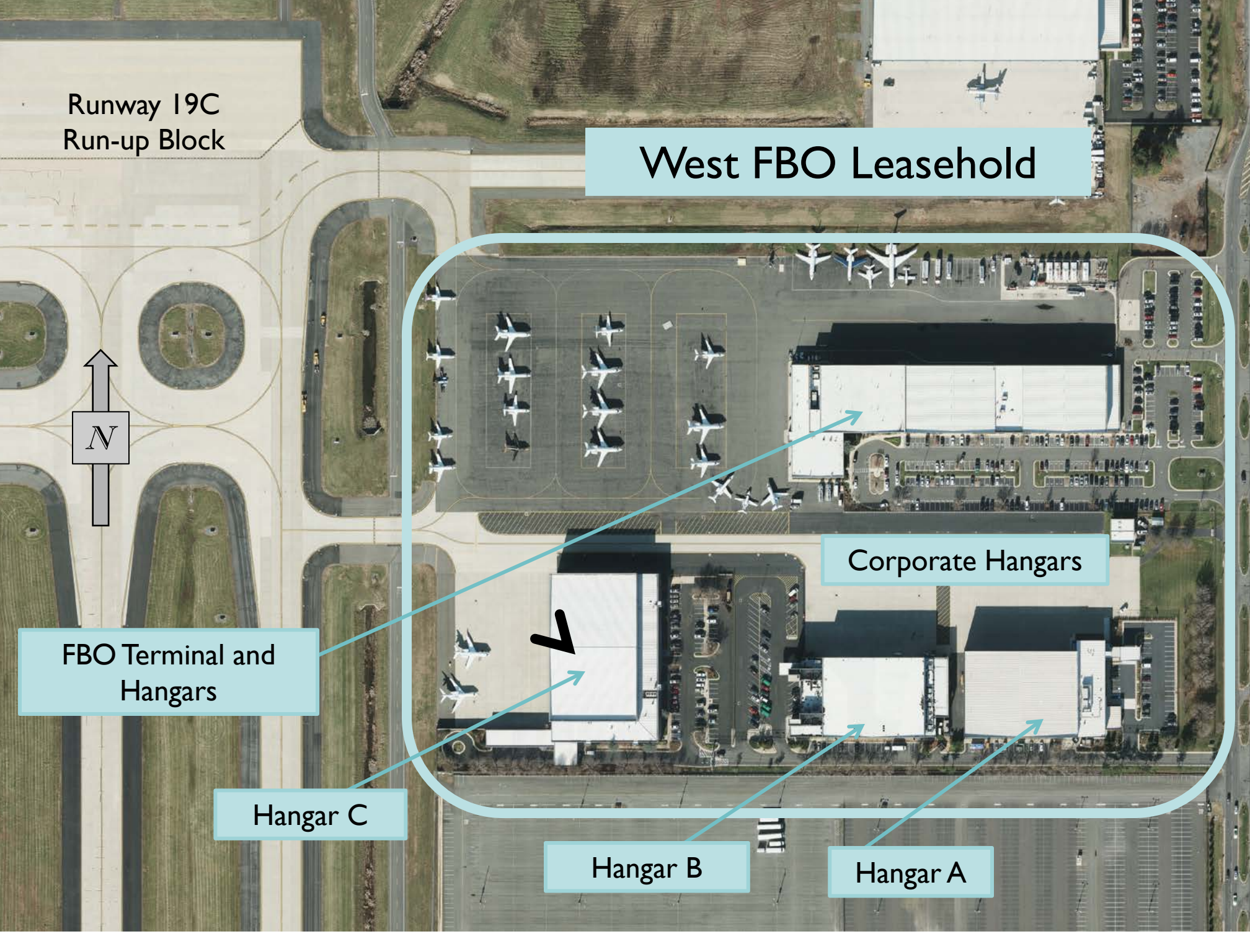
FBO Terminal and  
Hangars

Corporate Hangars

Hangar C

Hangar B

Hangar A





## **Background** (continued)

The current Landmark Aviation contract commenced Sept. 1, 1990 and will expire on August 31, 2015. Under the contract's present terms, Landmark pays the Airports Authority the greater of a Minimum Annual Guarantee or Percentage of Gross Receipts. The FBO also acts as the Airports Authority's agent, and collects landing, passenger conveyance and international arrivals fees, for which it is allowed to retain 20 percent of the fees collected.

Gross receipts for the most recent contract year, ending August 31, 2014, were \$37.7 million. From that amount, Landmark paid a Minimum Annual Guarantee to the Airports Authority of \$7.1 million. The Minimum Annual Guarantee for the contract year ending August 31, 2015 is estimated to be approximately \$6.9 million. Concession fees from retail fuel sales comprise approximately 80 percent of the total concession fees paid to the Airports Authority by the contractor.

## **Proposed Contract Terms**

Offerors will propose a Minimum Annual Guarantee of no less than \$7 million and a Capital Improvements Investment Offer for its proposed refurbishment of the facility.

Other financial terms will be specified by the Airports Authority and shall remain the same as the current contract in order to maintain parity with the second FBO (Signature Flight Support) contract at Dulles International.

The successful Offeror shall pay the Airports Authority the Minimum Annual Guarantee or a percentage of Gross Receipts, whichever is greater, and annual facility rent based on the appraised value of the facility.

## **LDBE Requirements**

Consistent with existing Airports Authority FBO contracts, this contract will have an LDBE participation requirement of 25 percent, applicable to the design and construction of capital improvements.

Additionally, there is an LDBE participation requirement of 20 percent, applicable to all goods and services (other than fuel) provided under this contract. This goal may be met by the inclusion of LDBE joint venture partners or subcontractors.



## Evaluation Criteria

The criteria used to evaluate and select a provider for this contract will be:

- Industry Experience and Qualifications
- Operations and Management Plan
- Financial Ability to Perform
- Capital Improvements Offer



## **Recommendation**

Staff requests that the Business Administration Committee concur with the solicitation terms and issuance of a full and open competitive procurement, using a “Best Value” approach, for a new Fixed Base Operator contract at Washington Dulles International, for a term of seven years. The Contract award will require Committee and Board approval.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON  
AIRPORTS AUTHORITY