

REPORT TO THE BUSINESS ADMINISTRATION COMMITTEE

**Information Paper on the Utilization of Other Than
Full and Open Competition**

May 2013

Purpose

1. To Gain an Understanding on the use of Other Than Full and Opening Competition with the focus on “Sole Source”.
2. Definition of Sole Source.
3. When Sole Source contracting is appropriate.
4. Sole Source Compliance: Guidelines that must be followed before contracting through Sole Source.

Other than Full and Open Competition

The preferred procurement method of obtaining goods, services or construction is by utilizing full and open competition.

The Airports Authority is committed to the maximum extent practicable to obtain full and open competition when acquiring goods, services, and construction.

However, there are circumstances when the Airports Authority may and will have to acquire goods, services and construction with other than full and open competition or under limited competition.

Other than Full and Open Competition (Continued)

The Airports Authority Contracting Manual has identified categories in which Other than Full and Open competition may apply:

1. **Urgent and Compelling** – The needs of the Airports Authority is of such an unusual and compelling urgency that the Airports Authority would be seriously injured financially or otherwise, unless the Airports Authority limits the number of sources from which it solicits bids or proposals (e.g., urgent safety and security considerations).
2. **Airline Improvements to Airport Facility** – Approved airline facility improvements made by airline tenants that benefit the Airports Authority.
3. **Sole Source** – The needs of the Airports Authority are available from only one responsible source and no other source will satisfy these needs.

Definition of Sole Source

The Airports Authority Contracting Manual defines “sole source” as **“There is only one responsible or one practicable source for required goods, services or construction, and no other supplies or services will satisfy the Airports Authority’s requirements.”**

Sole Source Contracting

Sole Source procurement is not unique and every public organization with procurement needs at some time engages in Sole Source contracting.

Sole Source procurements are noncompetitive negotiated procurements used to acquire goods, services and construction.

Sole Source Contracting (Continued)

A forecast of *potential* sole source awards for the remainder of the year has been developed; Sole source acquisitions fall into four categories, and may include 18 awards including:

1. Unique or Innovative Concepts.

Example: (Previously approved sole source) Engineered Material Arresting System (EMAS); the only crushable concrete system approved by the FAA to be used in the Runway Safety Areas.

2. Patents or Restricted Data Rights.

Example: (This type occurs rarely) Nothing projected in next 12 months.

Sole Source Contracting (Continued)

- 3. Proprietary Equipment and Software.** May result in a long term partnership subsequent to full and open competition.

Example: (Potential future sole source) Maintenance and support for the Dulles Toll Road Toll Collection System.

Example: Software Maintenance and support for Dulles Airport Common Use airline terminal equipment.

Example: Ceridian software support services for human resource system.

- 4. Utility Services and Supplies.**

Example: (Potential future sole source) *Dominion Virginia Power* - Electrical power for Washington Dulles International Airport.



Sole Source Compliance

The Airports Authority's guidelines for Sole source contracting:

- Require that potential sole source procurements exceeding \$50,000 to be posted on the Airports Authority website.
- Sole source procurements must be adequately supported by written justification, documenting the conditions which preclude the use of competition.
- Board approval must be obtained for the use of any Other Than Full and Open competition for all procurements above \$200,000.

Sole Source Compliance (Continued)

- Notice of Intent to award a sole source contract exceeding \$50,000 must be posted on the Airports Authority's Website 15 days before award, allowing for any challenges to the award of a sole source contract.
- Information regarding award of the sole source contract will remain posted on the website for 30 days.

Section 2.9.3 of the Contracting Manual is explicit as the procedures and process that must be adhered to when using the sole source contracting method.

INFORMATION PAPER FOR THE BUSINESS ADMINISTRATION COMMITTEE

UTILIZATION OF OTHER THAN FULL AND OPEN COMPETITION

MAY 2013

PURPOSE

To advise the Committee on the Airports Authority need to use “other than full and open competition” and particularly the sole source contracting method for procurement of certain goods, services and construction. This paper provides information on potential sole source procurements and the process that will be used whenever they are necessary.

BACKGROUND

At its March 20, 2013, meeting, the Board of Directors approved the Fourth Edition of the Contracting Manual. Procurements to which the Manual applies now fall into two categories: those subject to “full and open competition,” and those subject to “other than full and open competition.” The latter category of procurements consists of three types of acquisitions: those addressing “urgent and compelling needs”; those involving “airline improvements to airport facilities”, and those seeking goods or services available only from a “sole source.”

DISCUSSION

There are circumstances when the Airports Authority may and will have to acquire goods, services and construction with other than full and open competition or under limited competition. The Airports Authority Contracting Manual has identified categories in which other than full and open competition may apply:

1. **Urgent and Compelling** – The needs of the Airports Authority is of such an unusual and compelling urgency that the Airports Authority would be seriously injured financially or otherwise, unless the Airports Authority limits the number of sources from which it solicits bids or proposals (e.g., urgent safety and security considerations).
2. **Airline Improvements to Airport Facility** – Approved airline facility improvements made by airline tenants that benefit the Airports Authority.
3. **Sole Source** – The needs of the Airports Authority are available from only one responsible source and no other source will satisfy these needs.

The Airports Authority Contracting Manual defines “sole source”: as “There is only one responsible or one practicable source for required goods, services or construction, and no other supplies or services will satisfy the Airports Authority’s requirements.” These

types of procurements are not unique and every public organization at some point needs to engage in sole source contracting.

The following are examples of bases for sole source acquisitions:

- **Unique or Innovative Concepts** - The supplies or services to be acquired are unique to a contractor and no other source meets the needs of the Airports Authority.
- **Patents or Restricted Data Rights** - Intellectual property or proprietary rights that preclude competition.
- **Proprietary Equipment and Software** - Acquisition of proprietary equipment or software if required to be compatible with and is an integral component of an existing system to continue without disruptions to the operation of the Airports Authority.
- **Utility Services and Supplies** - Utility services or supplies are available from one actual, or practicable source (e.g. water, electricity, etc.).

The Airports Authority is committed to full transparency whenever the need for sole source contracting occurs. Potential sole source procurements exceeding \$50,000 will be posted on the Airports Authority website for 15 days prior to award and remain posted for 30 days. All sole source procurements will be adequately supported by written justification, documenting the conditions which preclude the use of competition and sole source procurements exceeding \$200,000 will be presented to the Committee and Board for approval.

CONCLUSION

The report is for informational purposes to familiarize the Committee with the potential for using sole source procurement method for certain goods, services and construction.

Attachment 1: Potential sole source procurements in next 12 months

Prepared by
Office of Finance
Procurement and Contracts Department
May 2013

PROCUREMENT FORECAST - POTENTIAL SOLE SOURCE PROCUREMENTS

SECOND THROUGH FOURTH QUARTERS 2013

	REQUESTING OFFICE	PROJECT TITLE	DESCRIPTION	ESTIMATED VALUE	DESIRED ADVERTISEMENT DATE
1	Finance	Fixed income trading and information platform	Provide platform to expedite the purchase and sell of securities and provide economic information and analysis.	\$50,000 - \$100,000	Apr-13
2	Engineering - RAIL	P2 Greenway consulting services	Technical services to review design and construction documents	\$200,000 - \$500,000	May-13
3	Engineering - RAIL	P2 VDOT consulting services <i>was for P1/P2</i>	Technical services to review design and construction documents	\$10,000,000 - \$20,000,000	May-13
4	Engineering - RAIL	P2 VDRPT consulting services	Technical services to review design and construction documents	\$3,000,000 - \$5,000,000	May-13
5	Engineering - RAIL	P2 WMATA consulting services	Technical services to review design and construction documents	\$50,000,000 - \$100,000,000	May-13
6	Engineering - RAIL	P2 - DGS Services	Permitting services	\$200,000 - \$500,000	Jun-13
7	IAD	Water, Drinking/Potable	Provide wholesale water to the Washington Dulles International Airport	\$5,000,000 - \$10,000,000	Jun-13
8	IAD	Lift Net Software & PM	The Contractor provides Lift Net system PM and software maintenance, updates, corrections and enhancements.	\$100,000 - \$200,000	May-13
9	IAD	vMUSE Head End Software Support	The Contractor shall provide Off-Site vMUSE Software Maintenance Support(24/7/365) and off-site technical support services, including all corrective and preventive software maintenance to IAD's installed virtual Multi-User System Emulation (vMUSE) operations at Washington Dulles International Airport.	\$1,000,000 - \$3,000,000	Jun-13
10	IAD	Maintenance and support for the Toll Collection System	The Contractor shall furnish all necessary labor, materials, tools, equipment, and supervision to provide comprehensive maintenance and support service for the toll collection system at the DTR.	\$3,000,000 - \$5,000,000	May-13
11	IT & Telecomm.	HRMS Service Provider (Ceridian)	Provide various HRMS related services	\$200,000 - \$500,000	Apr-13
12	IT & Telecomm.	Oracle Priority Service	Oracle Priority Support level services	\$100,000 - \$200,000	Apr-13
13	Engineering	Next Generation Public Safety Communication System, DCA/IAD	Provides for replacement of the 800 MHz radio system supporting Public Safety and Engineering/Maintenance at both airports and along DIAAH/DTR	\$20,000,000 - \$50,000,000	Sep-13
14	IAD	AeroTrain O&M	The Contractor will provide experienced professionals and helpers to perform Operation and Maintenance of the AeroTrain System.	\$100,000,000 - \$200,000,000	Aug-13
15	DCA	Website license for airline operational activity at Reagan National Airport	License to use Passur software which tracks airline operational activity such as arrivals and departures times daily to include gates and aircraft utilized.	\$100,000 - \$200,000	Oct-13
16	IAD	Electrical power for Washington Dulles International Airport (IAD).	Estimated electric consumption at IAD over the next ten (10) years. Power shall be supplied in accordance with the terms, conditions and rates specified in Dominion Virginia Power's Contract with the Virginia Energy Purchasing Government Association (VEPGA).	\$100,000,000 - \$200,000,000	Nov-13
17	IT & Telecomm.	Intergraph Computer Aided Dispatch (CAD) System Renewal	Support renewal for the new CAD system in place at PSCC (including SQL Runtime, but not including inPursuit RMS)	\$100,000 - \$200,000	Oct-13
18	IT & Telecomm.	Ross Financial Systems	Renew support and licensing for Ross products used in conjunction with legacy data	\$50,000 - \$100,000	Oct-13