



REPORT TO THE RISK MANAGEMENT COMMITTEE

**Audits of the
Dulles International and Reagan National Airports'
Public Parking Contracts
for the Twelve-Month Period Ending 6/30/14**

June 2015

Background

- A contractor operates the public parking lots at Dulles International and Reagan National under separate management contracts with the Airports Authority.
- The Airports Authority reimburses the contractor for expenses incurred in managing and operating the lots and also pays fixed management and performance-based incentive fees.
- The contracts included a three-year base period that began in June 2010, with two one-year extension options. The Airports Authority exercised both options.
- The Airports Authority's net revenue from parking operations for the twelve-month period ending June 30, 2014 at Dulles International was \$53.5 million on gross parking revenue of \$60.9 million and \$46.8 million on gross parking revenue of \$50.9 million at Reagan National.



Objective & Approach

- The objective of these reviews was to determine whether, during the period ending June 30, 2014, the contractor:
 - Collected and deposited parking revenues to an Airports Authority bank account in accordance with the contract;
 - Was reimbursed only those expenses allowable under the contract; and
 - Complied with other key contract terms, including budget requirements, Disadvantaged Business Enterprise (DBE) participation, performance guarantee, and insurance coverage.
- In order to assess compliance, Office of Audit staff and consultants:
 - Reviewed the public parking contracts;
 - Examined, on a test basis, evidence supporting parking revenue, reimbursable expenses, and compliance with key contract provisions; and
 - Interviewed contractor management and staff, as well as members of the Airports' Administration Departments.

Results in Brief

- During the period under review, the contractor collected parking revenues and deposited the funds to an Airports Authority bank account in accordance with the contract. The contractor also complied with the contract terms tested, including budget requirements, DBE participation, performance guarantees, and insurance coverage.
- No exceptions were noted during testing and review, and accordingly, the reports included no recommendations for management action.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY