

**Recommendation to the
Board of Directors
for a
Less than Full and Open Competition
of
Chemical Water Treatment Services
for
Washington Dulles International Airport**

March 2013

ACTION RECOMMENDED

The Business Administration Committee approved and recommends that the Board of Directors approve the Sole-Source Procurement to Nalco Company consisting of a five-year base and one five-year option for the Chemical Water Treatment Services at Washington Dulles International Airport (Dulles International).

BACKGROUND

- The Nalco Company currently provides chemical water treatment services at Dulles International.
- Their services consist of patented chemicals, proprietary software, professional services, laboratory support, sampling analysis, and a web-based portal for monitoring distribution of chemicals and the conditions of the effluents served. The Chemical Water Treatment administered by Nalco services the Open and Closed water loops to the Chillers, Ice Harvesters, Cooling Towers, and the High Temperature Hot Water System, and all satellite boilers at Dulles International.

BACKGROUND

- The chemicals supplied by Nalco are integral to maintain the efficient water treatment design of Dulles International, the computerized control by Nalco's software is licensed to Dulles International, and the distribution equipment is also Nalco's. All equipment and software replacement costs are borne by the contractor.
- Open competition will require a new design, and the removal and replacement of the existing chemical distribution systems (37), the retraining and reorientation of Airports Authority Utilities staff to new systems, and the transitional shutdown of heating, ventilation and air conditioning.

BACKGROUND

- Service selection by other providers is not prudent. Achieving a new equilibrium of chemical treatment in the systems at Dulles International may present equipment or system failures causing a loss of heating, ventilation and air conditioning.
- This contract consists of a five-year base with one five-year option. Its total cost is \$3.8 million, and includes a three percent annual increase due to the expected cost of chemicals.

RECOMMENDATION

The Business Administration Committee approved and recommends that the Board of Directors approve the Sole-Source award to the Nalco Company for a five-year base term and one five-year option for the Chemical Water Treatment Services at Washington Dulles International Airport (Dulles International).

Proposed Resolution

Authorizing Award of Sole Source Contract for Chemical Water Treatment Services for Dulles International

WHEREAS, The existing monitoring system and software for chemical water treatment at Dulles International was supplied by Ondeo-Nalco when the central plant was expanded as part of the Airport's capital development program;

WHEREAS, The chemicals needed to support this system have a proprietary fluorescent additive that is integral to maintain the efficient water treatment design of Dulles International, the computer control by Nalco's software is licensed to Dulles International, and the distribution equipment is also Nalco's;

WHEREAS, It is not prudent to solicit these services, products and software through a full and open competition procurement because achieving a new equilibrium of chemical treatment in the systems at Dulles International may present equipment or system failures causing a loss of heating, ventilation and air conditioning; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a five-year contract, with one five-year extension option, with Nalco Company, consistent with the terms presented to the Business Administration Committee at its February 20, 2013 meeting.

Note: A sole-source contract; requires counted vote (10 affirmative votes).

*Recommended by the Business Administration Committee on February 20, 2013
For Consideration by the Board of Directors on March 20, 2013*