

SUMMARY MINUTES  
BUSINESS ADMINISTRATION COMMITTEE  
MEETING OF NOVEMBER 14, 2018

Mr. Lazaro chaired the November 14 Business Administration Committee Meeting, calling it to order at 11:00 a.m. A quorum was present during the Meeting: Mr. Adams (Co-Chair), Mr. Dwoskin, Mr. Griffin, Ms. Hanley, Mr. Mims, Mr. Pozen, Mr. Speck, Mr. Sudow, Mr. Tejada, Mr. Uncapher, Mr. Williams, and Mr. Session (ex officio).

Recommendation to Award a Contract for Maintenance and Repair Services of Terminal A Baggage Handling Systems at Ronald Reagan Washington National Airport. Paul Malandrino, Vice President and Airport Manager, presented the staff recommendation for approval of a contract award to Elite Line Services, Inc. (Elite). He reported that the contract term consists of a one-year base period with four one-year option periods. Mr. Malandrino stated that the contractor will provide baggage handling system maintenance and repair services during 19 hours daily and 365 days a year on all inbound baggage conveyance equipment as well as shared-use for Air Canada and Frontier outbound baggage conveyance equipment located in Terminal A.

Mr. Malandrino shared that the Department of Supplier Diversity (DSD) reviewed the solicitation and established a 20 percent Local Disadvantaged Business Enterprise (LDBE) participation requirement for the contract. He stated that the best value procurement was used which takes into consideration technical factors and price, which is evaluated separately. Mr. Malandrino reported that six proposals had been received and the Contracting Officer determined that Elite's proposal offered the best overall value to the Airports Authority. The proposed one-year base term price is \$881,000 and the total contract value for the five-year term, inclusive of all option periods, is \$4.5 million. Mr. Malandrino stated that Elite also proposed to meet the 20 percent LDBE requirement with an Airports Authority-certified firm to provide supplemental staffing.

Mr. Speck inquired whether it is typical to have a one-year contract term for the provision of this type of service. Margaret McKeough, Executive Vice President and Chief Operating Officer, advised that a service contract does not require capital investment up front and that a one-year contract term is not an uncommon process.

The Committee approved the recommendation.

Quarterly Acquisition Report (Quarter Ended September 30, 2018). Julia Hodge, Vice President for Supply Chain Management, provided an overview of the acquisitions that were made during the third quarter of 2018. She reported that 30 contracts were awarded for a maximum value of nearly \$73.7 million for their base terms. Ms. Hodge reviewed some of the largest contract awards. She reported that there were 32 contract modifications totaling \$15.5 million, including seven related to option years, totaling approximately \$1.2 million. Ms. Hodge reviewed the significant option-year modifications. Additionally, 25 non-option year-related contract modifications had been awarded, including 15 for the Aviation Enterprise totaling \$6.2 million, three for the Toll Road totaling \$0.5 million and seven for the Metrorail Project totaling \$7.6 million. Ms. Hodge also reviewed several of the significant modifications. She reported that 32 task orders had been issued totaling nearly \$40 million, and she reviewed several of the larger task orders. Ms. Hodge shared that the Board had approved two contracts for insurance brokerage services, which totaled collectively almost \$43.5 million.

With regard to the first quarter of 2019, Ms. Hodge reported that 70 procurements greater than \$50,000 are planned, eight of which may require Board approval.

Ms. Hodge reported that there have been no changes in delegation or re-delegation since the prior report.

For the benefit of the Board's newest member and as a reminder to all Directors, Mr. Session asked Ms. Hodge to explain the category of procurements that require Board approval. Ms. Hodge stated that Board approval is required through the pre-solicitation process for non-construction contracts with an expected total value in excess of \$3 million or a sole source contract greater than \$200,000. She advised that one of the reasons the forecast is published is to provide the Board with a preview of contract awards that may potentially require its approval.

Mr. Session added that a good feature of the forecast is that it allows staff an opportunity to target outreach based on those categories of the procurement being presented in an upcoming quarter. Ms. Hodge shared that the forecast is available to the public on the Airports Authority's website. She noted that the Department of Supplier Diversity distributes the forecast to the Airports Authority's different strategic outreach partners to pass along to their constituents.

Mr. Adams asked if a copy of the Quarterly Acquisition Report is still forwarded to the Department of Transportation (DOT). Ms. Hodge responded that Lynn Deavers, the Airports Authority's DOT liaison, had advised that since the information is incorporated in a public document, it satisfies the Secretary of Transportation's requirement. She reported that the Airports Authority does seek input from the Secretary of Transportation with regard to policy changes that would have a reporting requirement.

The meeting was thereupon adjourned at 11:11 a.m.