

SUMMARY MINUTES
BUSINESS ADMINISTRATION COMMITTEE
MEETING OF JANUARY 16, 2019

Mr. Adams chaired the January 16 Business Administration Committee Meeting, calling it to order at 8:58 a.m. A quorum was present during the Meeting: Mr. Lazaro (Co-Chair), Ms. Batty, Mr. Braun, Mr. Dwoskin, Ms. Hanley, Mr. Mims, Mr. Pozen, Mr. Speck, Mr. Sudow, Mr. Tejada, Mr. Uncapher, and Mr. Session (ex officio).

Recommendation to Award a Contract for Refuse and Recycling Removal Services at Washington Dulles International Airport, Ronald Reagan Washington National Airport, and the Dulles Toll Road. Paul Malandrino, Vice President and Airport Manager, presented the staff recommendation to approve and recommend to the Board of Directors that the Airports Authority enter into a contract with Bates Trucking Company, Inc. (Bates) for refuse and recycling removal services at Washington Dulles International Airport (Dulles International), Ronald Reagan Washington National Airport (Reagan National), and the Dulles Toll Road. He stated that the proposed contract would consist of a three-year base term and one two-year option period. Mr. Malandrino reported that refuse and recycling removal service requirements include providing, servicing, and maintaining refuse and recycling containers for use by the Airports Authority, airlines, concessionaires and other tenants. He reviewed the provisions that the solicitation required. Mr. Malandrino reported that in June 2017, the Committee concurred with staff's recommendation to issue a solicitation for refuse and recycling removal services at Dulles International, Reagan National, and the Dulles Toll Road using the Lowest Price Technically Acceptable (LPTA) method. He explained that offerors under the LPTA process are judged on an acceptable - unacceptable basis only and that award is made to the lowest price, technically acceptable and responsible offeror. Mr. Malandrino advised that the Department of Supplier Diversity established a 30 percent Local Disadvantaged Business Enterprise (LDBE) participation requirement for the contract. He reported that a Request for Proposals (RFP) was issued on September 18, 2017, and two proposals were received on November 17, 2017. Mr. Malandrino further reported that the Technical Evaluation Committee determined only one offeror was deemed technically acceptable to perform the requirements as stated in the solicitation. He stated that prior to obtaining Board approval to enter into a contract, the acceptable offeror subsequently notified the Airports Authority that it would not honor the final

negotiated amount, which resulted in the solicitation being cancelled on March 19, 2018.

Mr. Malandrino reported that the Office of Supply Chain Management held a widely attended Information Session on Refuse Removal and Recycling Services on June 5, 2018 in an attempt to increase interest in the upcoming re-solicitation. A second RFP was issued on July 30, 2018, and three proposals were received on October 17, 2018. Mr. Malandrino stated that the proposals were evaluated using the following criteria: Past Performance and Qualification, Project Understanding, and Management Plan. The Technical Evaluation Committee determined that the proposal submitted by Bates was technically acceptable, and Bates also provided the lowest price. Mr. Malandrino advised that Bates is a certified LDBE firm and plans on performing all of the work associated with the contract. He reported that the proposed three-year base total is \$4,015,389 for Dulles International, \$2,028,942 for Reagan National and \$80,248 for the Dulles Toll Road, and the total value for the five-year contract is \$10,370,110.

Mr. Pozen stated that out of the abundance of caution, he would recuse himself from participating in the recommendation of a contract award for refuse and recycling removal services at Dulles International, Reagan National, and the Dulles Toll Road. He explained that while he did not have a direct conflict, his firm had recently undertaken an unrelated matter involving Bates. Mr. Pozen stated that he would not participate in the discussion and that he was stepping away from the table.

Mr. Dwoskin stated that he would also recuse himself, and he stepped away from the table.

Mr. Uncapher stated that Mr. Malandrino had reviewed the history of the canceled RFP and that there had not been a great deal of interest in either RFP. He observed that there are more refuse and recycling removal companies in the area but there seemed to be some resistance with companies responding to the RFP. Mr. Malandrino stated that he was not aware of the number of companies that currently provide waste removal services in the area but advised that many of them have either merged with other similar companies or have been bought by other types of companies. He stated that the original contractor has been bought out by other companies twice since it began providing services to the Airports Authority. Mr. Lazaro inquired whether Bates would dump its trash at the Covanta Plant in Arlington, Virginia, or some other location. He also

inquired where Bates would dispose of the recyclables, noting that the recyclable market is continuing to change. If the pending contract was approved, Mr. Lazaro requested that the Bates' monthly operations report include information regarding the amount of trash dumped and the amount of recyclables disposed of to ensure that the collection is being handled appropriately so that the Airports Authority can track the amounts of refuse and recyclables to assist with setting and achieving its goals. He also requested that the Airports Authority ban single-use plastics, noting that since the recyclables' market is changing, they can no longer be recycled. Mr. Malandrino acknowledged the requests and stated that staff would provide the requested information. He stated that the recycling rate at the Airports has increased over recent years. Mr. Malandrino reported that the combined recycling rate for the tenants and Reagan National was 39.6 percent, excluding asphalt and concrete.

Mr. Lazaro advised that with the recent changes to recyclables that the market for glass had also changed. He further advised that the District of Columbia had imposed a plastic bag tax which has substantially helped with cleaning up the Anacostia and Potomac Rivers; Montgomery County is working to reduce solid waste; and Prince George's County is performing well in its recycling efforts. Mr. Sudow inquired whether Bates submitted a proposal in response to the first RFP. Mr. Malandrino stated that Bates serves as a subcontractor for the existing contract. He further stated that he did not recall that Bates had submitted a proposal when the solicitation was issued initially, but that he would confirm the information. Julia Hodge, Vice President for Supply Chain Management, reported that information pertaining to the activities related to the canceled RFP had been included in the confidential recommendation paper, which was provided for the day's meeting. She stated that the Airports Authority had successfully negotiated with the successful offeror but that before staff recommended the contract be approved by the Board, the offeror had withdrawn its offer. Mr. Sudow stated that he was more concerned with the number of bidders who competed in response to both RFPs. Ms. Hodge stated that there is a great deal of consolidation in the industry, which is definitely impacting the ability for firms to qualify based on their sizes and to provide the scope of services expected. She further stated that two bidders responded to the first RFP and three bidders responded the second time. Mr. Sudow expressed concern with the process that the Airports Authority used, noting that there were likely other areas where firms had also consolidated and potential bidders had been impacted. Ms. Hodge stated that Mr. Sudow's statement was accurate, noting that that was the reason that the

Airports Authority had held a widely-attended information session last summer after receiving only two proposals in response to the first solicitation. Mr. Sudow inquired whether staff is aware of the reason(s) that some bidders that attended the information session had not submitted a proposal. Ms. Hodge responded negatively and stated that staff can provide the names of the firms that attended the information session and attempt to follow up with the firms to learn why they did not submit a proposal.

Mr. Lazaro inquired about the incumbent. Mr. Malandrino stated that the incumbent [at Dulles International] is Enviro Solutions Inc. (in Maryland).

Mr. Adams observed that Bates' serving as a subcontractor for the existing contract and now being selected as the prime contractor seemed to be positive and represented capacity building and growth, which are desired results of an LDBE firm, to which Ms. Hodge agreed. He stated that he was also curious to learn why Bates had not competed in the first solicitation, noting that perhaps at that time it was satisfied with serving as the subcontractor. Mr. Adams further stated that once the Airports Authority gained an understanding with regard to Bates competing in the first solicitation, it could potentially be beneficial to other LDBE companies to help them understand some of the benefits, or the process in advancing from a subcontractor to prime contractor, which he believed was one of the goals and purposes of the Airports Authority's LDBE program.

The Committee approved the recommendation. Mr. Adams stated that the recommendation would be considered by the Board of Directors in February 2019.

The meeting was thereupon adjourned at 9:14 a.m.