



REPORT TO THE BUSINESS ADMINISTRATION COMMITTEE

RECOMMENDATION TO APPROVE AN AIRLINE REIMBURSEMENT AGREEMENT WITH UNITED AIRLINES FOR THE INSTALLATION OF ELECTRIC CHARGING PORTS AT WASHINGTON DULLES INTERNATIONAL AIRPORT

July 2019



PURPOSE

The Business Administration Committee is requested to approve and recommend that the Board of Directors approve execution of an airline reimbursement agreement with United Airlines (United) for an amount not to exceed \$4,000,000 for the installation of electric charging ports to support electric ground service equipment (eGSE) at Washington Dulles International Airport (Dulles International).



BACKGROUND

- The Federal Aviation Administration (FAA) administers the Voluntary Airport Low Emission Program (VALE). Created in 2004, VALE is a voluntary program available to airports and intended to improve airport air quality. As of September 2018, VALE grants had funded 105 projects at 51 airports which are expected to reduce ozone emissions by 1,192 tons per year over the next five years.
- The FAA has awarded the Metropolitan Washington Airports Authority (Airports Authority) a VALE grant of up to \$4,000,000 to install 112 electric charging ports at Dulles International to support eGSE used by airlines and their ground handlers to service aircraft. The grant requires a financial match of at least 25 percent of total project costs.



DISCUSSION

- United has identified cost effective opportunities to improve the environmental sustainability of its operations by reducing emissions from its vehicle fleet at Dulles International.
- United has agreed to undertake the purchase, design and installation of the improvements to support use of eGSE and the reduction of emissions at Dulles International.
- The proposed cost for this project is \$5,537,580. The project scope was developed by United, and reviewed and approved by Airports Authority Engineering staff.
- United will provide the matching funds required under the VALE grant of at least 25 percent of the total project cost and be reimbursed up to the amount of the VALE grant, not to exceed \$4,000,000.



DISCUSSION (continued)

- The Department of Supplier Diversity has reviewed the project scope and estimate, and established a 25 percent Disadvantaged Business Enterprise (DBE) goal for the project, based on the availability of Airports Authority certified firms with the capability to perform this work.
- United will be required to submit detailed accounting of all payments associated with the project, to include invoices and proof of payment. Documentation of costs will be reviewed by Airports Authority staff for eligibility prior to releasing reimbursement.
- Title to the charging equipment shall vest in the Airports Authority immediately upon substantial completion and acceptance by the Airports Authority.



DISCUSSION (continued)

- The electric charging ports will be considered common use and available to support all airlines' eGSE.
- The project is included in the approved 2019 Airports Authority's Capital Construction Program (CCP).
- It is in the best interest of the Airports Authority to have United purchase, design and install these improvements. This arrangement is consistent with Section 1.4.1(2) of the Contracting Manual.



RECOMMENDATION

Staff requests the Business Administration Committee approve and recommend that the Board of Directors approve an airline reimbursement agreement with United Airlines for an amount not to exceed \$4,000,000 to install electric charging ports to support electric ground service equipment at Dulles International.



METROPOLITAN
WASHINGTON
AIRPORTS AUTHORITY

MWAA.COM



@Reagan_Airport

@Dulles_Airport

@Dulles_Toll_Road



reaganairport

FlyDulles

dullestollroad



Proposed Resolution

Approving an Airline Reimbursement Agreement with United Airlines for the Installation of Electric Charging Ports at Washington Dulles International Airport

WHEREAS, The Federal Aviation Administration (FAA) administers the Voluntary Airport Low Emission Program (VALE), which was created in 2004 and intended to improve airport air quality;

WHEREAS, The FAA has awarded the Metropolitan Washington Airports Authority (Airports Authority) a VALE grant of up to \$4,000,000 to install 112 electric charging ports at Washington Dulles International Airport (Dulles International) to support electric ground service equipment (eGSE) used by airlines and their ground handlers to service aircraft;

WHEREAS, The VALE grant requires a financial match of at least 25 percent of total project costs;

WHEREAS, United Airlines (United) has identified cost effective opportunities to improve the environmental sustainability of its operations by reducing emissions from its vehicle fleet at Dulles International;

WHEREAS, United has agreed to undertake the purchase, design and installation of the improvements to support the use of eGSE by all tenant airlines at Dulles International and the reduction of emissions at that Airport;

WHEREAS, The total cost estimate for this project, which was developed by United and reviewed and approved by Airports Authority Engineering staff, is \$5,537,580;

WHEREAS, United will provide the matching funds required under the VALE grant of at least 25 percent of the total project cost and be reimbursed up to the amount of the VALE grant, not to exceed \$4,000,000;

WHEREAS, The Department of Supplier Diversity has reviewed the project scope and estimate, and established a 25 percent Disadvantaged Business Enterprise goal for the project, based on the availability of Airports Authority certified firms with the capability to perform this work;

WHEREAS, United will be required to submit detailed accounting of all payments associated with the project, to include invoices and proof of payment;

WHEREAS, Title to the charging equipment shall vest in the Airports Authority immediately upon substantial completion and acceptance by the Airports Authority;

WHEREAS, The project is included in the approved 2019 Airports Authority's Capital Construction Program; and

WHEREAS, Consistent with Section 1.4.1(2) of the Airports Authority's Contracting Manual, it is in the best interest of the Airports Authority to have United purchase, design and install these improvements; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into an airline reimbursement agreement with United for an amount not to exceed \$4,000,000 to install electric charging ports to support eGSE at Dulles International.

*For Consideration by the Business Administration Committee
July 17, 2019*

**REPORT TO THE
BUSINESS ADMINISTRATION COMMITTEE**

**RECOMMENDATION TO APPROVE AN AIRLINE REIMBURSEMENT
AGREEMENT WITH UNITED AIRLINES FOR THE INSTALLATION OF
ELECTRIC CHARGING PORTS**

**AT
WASHINGTON DULLES INTERNATIONAL AIRPORT**

JULY 2019

PURPOSE

The Business Administration Committee is requested to approve and recommend that the Board of Directors approve execution of an airline reimbursement agreement with United Airlines, Inc. (United) for an amount not to exceed \$4,000,000 for the installation of electric charging ports to support electric ground service equipment (eGSE) at Washington Dulles International Airport (Dulles International).

BACKGROUND

The Federal Aviation Administration (FAA) administers the Voluntary Airport Low Emission Program (VALE). Created in 2004, VALE is a voluntary program offering grants available to airports and intended to improve airport air quality. As of September 2018, VALE grants had funded 105 projects at 51 airports and those projects are expected to reduce ozone emissions by 1,192 tons per year over the next five years.

The FAA has awarded the Metropolitan Washington Airports Authority (Airports Authority) a VALE grant of up to \$4,000,000 to install 112 electric charging ports at Dulles International to support eGSE used by airlines and their ground handlers to service aircraft. The grant requires a financial match of at least 25 percent of total project costs.

DISCUSSION

United identified cost effective opportunities to improve the environmental sustainability of its operations by reducing emissions from its vehicle fleet at Dulles International. As a result, United has agreed to undertake the purchase, design and installation of the improvements to support use of eGSE and the reduction of emissions at Dulles International.

The proposed project cost is \$5,537,580. The proposal was based on a scope of work developed by United, and reviewed and approved by the Airports Authority's Office of

Engineering. United has committed to provide the financial match, at least 25 percent of total project costs, required by the VALE grant. Reimbursement to United for design and construction of the infrastructure will be funded by the approved VALE grant, in an amount not to exceed \$4,000,000.

The Department of Supplier Diversity has reviewed the proposed project scope and estimate and has established a 25 percent Disadvantaged Business Enterprise (DBE) participation goal for the project, based on the availability of certified Airports Authority firms with the capability to perform work within the project scope.

United will be required to submit detailed accounting of all payments associated with the project, to include invoices and proof of payment. Documentation of costs will be reviewed for reimbursement eligibility and approved by Airports Authority staff prior to any reimbursement.

The agreement with United will stipulate that title to the improvements shall vest in the Airports Authority immediately upon substantial completion and acceptance by the Airports Authority. Notwithstanding substantial completion, acceptance, and the passage of title, United will remain responsible for completing punch list corrections and repairs.

The electric charging ports will be considered common use equipment and will be available to support all airlines' eGSE. United will not be permitted to remove any of the improvements, in whole or in part, from the Airport without prior written approval of the Airports Authority. The Airports Authority will coordinate with United on the tracking and reporting of usage in compliance with the FAA's grant requirements.

This project is included in the approved 2019 Airports Authority's Capital Construction Program. It is in the best interest of the Airports Authority to have United purchase, design and install these improvements. This arrangement is consistent with Section 1.4.1(2) of the Contracting Manual, which allows an airline tenant to deliver improvements as an alternative to the Airports Authority contracting directly for the improvements, when the Airports Authority has determined that the airline tenant will have a substantial interest in the improvements as a part of its leasehold or the improvements will be integral to its operations.

RECOMMENDATION

Staff requests that the Business Administration Committee approve and recommend that the Board of Directors approve an airline reimbursement agreement with United Airlines for an amount not to exceed \$4,000,000 to install electric charging ports to support electric ground service equipment at Dulles International.

Prepared by:

Airport Administration Department
Washington Dulles International Airport
July 2019