



**Report to the
Business Administration Committee**

**Recommendation to Award a
Fixed Base Operator Contract at
Washington Dulles International Airport**

July 2015

Purpose

Staff requests that the Business Administration Committee approve and recommend that the Board of Directors approve the award of a contract to Piedmont Hawthorne Aviation, LLC dba Landmark Aviation, for a Fixed Base Operator (FBO) concession at Washington Dulles International Airport, effective September 1, 2015.

Background

- This contract grants the right to operate one of two FBOs at Dulles International, to provide primary support services, including fuel sales, for General Aviation aircraft and passengers.
- Contract term will be seven years and two months. If the Signature FBO contract is re-bid for a five-year term after its expiration in 2017, as planned, the Airports Authority will be able to bid the FBOs concurrently when they expire in 2022.
- The RFP required that the selected contractor pay the Airports Authority the greater of a Minimum Annual Guarantee (MAG) or percentage of gross receipts from FBO services, as well as an annual facility rent. The selected contractor will act as the Airports Authority's agent to collect landing, passenger conveyance and international arrivals fees, for which it is allowed to retain 20 percent of the fees collected.

Discussion

- In October 2014, the Business Administration Committee authorized issuance of the Request for Proposal (RFP) for the FBO concession.
- As a result of a Full and Open Competition, three proposals were received and evaluated according to the following criteria, using the Best Value approach:
 - Industry Experience and Qualifications
 - Operations and Management Plan
 - Financial Ability to Perform
 - Capital Improvements Plan
- The proposal submitted by Landmark Aviation scored highest in its technical evaluation and also offered the best financial offer, representing the most advantageous proposal to the Airports Authority.

Discussion (continued)

- The MAG offered by Landmark over the seven-year contract period totaled \$82,250,000. Its MAG for year one was \$11 million, significantly above the \$7.1 million MAG in the current contract.
- Landmark received the highest score in each technical criterion, thereby demonstrating the company's industry experience, the capability of its local staff in managing high profile VIP and diplomatic events, and its ability to accurately monitor and report airport fees.
- Landmark's proposal included a capital improvements investment offer of \$2.5 million to renovate the interior and exterior of the FBO facility, \$1 million to address existing facility conditions and \$1.4 million for repair and maintenance during the contract period.

Discussion (continued)

- Based on Landmark earning the highest technical score and submission of the best financial offer, its proposal was determined to be the most advantageous to the Airports Authority under the Best Value approach.
- An LDBE requirement of 25% for design and construction services, and 20% for goods and services, other than fuel purchases, has been established for this contract.

Recommendation

Staff requests that the Business Administration Committee approve and recommend that the Board of Directors approve the award of a contract to Piedmont Hawthorne Aviation, LLC dba Landmark Aviation for a Fixed Base Operator (FBO) concession at Washington Dulles International Airport, effective September 1, 2015.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



METROPOLITAN WASHINGTON
AIRPORTS AUTHORITY

Proposed Resolution

Recommending Award of the Fixed Base Operator Contract at Washington Dulles International Airport

WHEREAS, The current contract for the provision of fixed-base operator (FBO) services to the General Aviation (GA) market at Washington Dulles International Airport (Dulles International) is held by Piedmont Hawthorne Aviation, LLC, dba Landmark Aviation (Landmark Aviation), and it is scheduled to expire on August 31, 2015;

WHEREAS, The Business Administration Committee in October 2014 concurred in the pre-solicitation terms for the procurement of FBO services at Dulles International;

WHEREAS, The contract grants the right to operate as one of two FBOs at Dulles International to provide primary support services, including fuel sales, for GA aircraft and passengers;

WHEREAS, The contract is intended to expire at the same time as that planned for the second existing Dulles International FBO contract with Signature Flight Support, which will allow for concurrent rebidding of both contracts in 2022;

WHEREAS, The Minimum Annual Guarantee offered by Landmark over the contract period totaled \$82,250,000, as well as a capital improvements investment offer of \$2.5 million to renovate the interior and exterior of the FBO facility, \$1 million to improve existing facility conditions, and \$1.4 million for repair and maintenance during the contract period;

WHEREAS, The Business Administration Committee is satisfied with the results of the competitive procurement process, as presented at its July 15, 2015 meeting; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a seven-year and two-month contract, with Landmark, effective September 1, 2015 and running through October 31, 2022, consistent with the terms presented to the Business Administration Committee at its July 15, 2015 meeting.

*For Consideration by the Business Administration Committee and
Board of Directors on July 15, 2015*