

RESOLUTION NO. 18-2

Continuing Membership in the Virginia Energy Purchasing Governmental Association and Authorizing the Award of a Sole Source Contract to Dominion Energy Virginia to Provide Electricity for Ronald Reagan Washington National Airport, Washington Dulles International Airport, and the Dulles Toll Road

WHEREAS, The Virginia Energy Purchasing Governmental Association (VEPGA) is an organization with members consisting of over 170 Virginia localities and political subdivisions;

WHEREAS, VEPGA negotiates electricity contract rates with Dominion Energy Virginia (DEV), which result in significant savings for VEPGA members;

WHEREAS, The Airports Authority became a member of VEPGA in 2009 and currently obtains all electricity for Ronald Reagan Washington National Airport (Reagan National), Washington Dulles International Airport (Dulles International), and the Dulles Toll Road (DTR) under an electricity supply contract with DEV using the negotiated VEPGA rate structure, which will end on June 30, 2018;

WHEREAS, VEPGA is currently negotiating new electricity rates with DEV, which will be applicable to all current VEPGA members, from July 1, 2018 through June 30, 2022, concurrent with the Airports Authority's membership with VEPGA;

WHEREAS, Continued membership in VEPGA commits the Airports Authority to procure its electricity from DEV, utilizing the VEPGA-negotiated rate structure for this four-year period and essentially acts as a sole source contract since the contract will have been offered to and negotiated with a single supplier for electricity;

WHEREAS, If the Airports Authority does not want to be obligated to procure its electricity from DEV under the VEPGA agreement, the Airports Authority must provide notice of withdrawal of its membership in VEPGA by March 1, 2018;

WHEREAS, A sole source contract is permitted, with proper justification, under Contracting Manual Section 1.4.1 (d) Utility Services and Supplies;



WHEREAS, As required by the Airports Authority's Contracting Manual, notice of this sole source contract award has been published on the Airports Authority's website for the required time period and no firm offered a capability statement for this requirement; and

WHEREAS, The total estimated cost for the four-year contract is \$85 million, and is significantly lower than the costs that the Airports Authority would incur if it purchased electricity from DEV, or another supplier, at commercial market rates; now, therefore be it

RESOLVED, That the Airports Authority continue its membership in VEPGA and award a sole source contract to DEV for the purchase of electricity under the VEPGA rate structure for a four-year period from July 1, 2018 through June 30, 2022, consistent with the terms presented to the Business Administration Committee at its February 21, 2018 meeting.

RECORDED VOTE:

Members Present	<u>13</u>
Members in Favor	<u>13</u>
Members Against	<u>0</u>
Members Abstaining	<u>0</u>

Adopted February 21, 2018



Monica R. Hargrove, Secretary