



Recommendation for Action

File #: 23-1593, **Agenda Item #:** 26.

4/13/2023

Posting Language

Authorize negotiation and execution of a contract for baggage handling system services with Vanderlande Industries, Inc., for up to two years for a total contract amount not to exceed \$10,978,850.

[Note: This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C (Minority Owned and Women Owned Business Enterprise Procurement Program). For the services required for this procurement, there were no subcontracting opportunities; therefore, no subcontracting goals were established].

Lead Department

Financial Services Department.

Client Department(s)

Department of Aviation.

Fiscal Note

Funding in the amount of \$2,836,600 is available in the Fiscal Year 2022-2023 Operating Budget of the Department of Aviation. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Professional Services.

For More Information:

Inquiries should be directed to Sandy Wirtanen, at 512-974-7711 or sandy.wirtanen@austintexas.gov [<mailto:sandy.wirtanen@austintexas.gov>](mailto:sandy.wirtanen@austintexas.gov).

Additional Backup Information:

The contract will provide staff augmented onsite support services for the baggage handling system (BHS), a vital infrastructure to the Austin-Bergstrom International Airport (AUS). The centralized inline BHS provides airport flow of checked baggage supporting the Transportation Security Administration's (TSA) efficiency and ensuring the safe and efficient operations of the airport. The contract includes on-site services such as BHS operations, maintenance, and repair service. The BHS has been maintained by AUS employees since 1999; however, due to attrition within the Airline Maintenance division and the ongoing challenges with hiring qualified electro-mechanical technicians, staffing levels have been reduced from 18 full time technicians to six. This contract will ensure AUS operations are maintained until a more permanent solution can be developed. This will include a transition plan to AUS' new BHS which is expected to be operational in 2024.

Without this contract AUS will not be able to properly maintain the BHS, which could result in premature and/or catastrophic failures including untimely delivery of screened passenger luggage, delayed boarding and deplaning of passengers, or non-compliance with TSA regulations. This not only impacts AUS but the entire Aviation industry with flights that originate or have connections in Austin.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	1 yr.	\$ 5,673,200
Optional Extension 1	1 yr.	\$ 5,305,650
TOTAL	2 yrs.	\$10,978,850

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Mobility.