

ORDINANCE/RESOLUTION REQUEST

All Fields must be completed

Incomplete request forms will be returned to sender which may cause a delay in processing.

Please mark one: ☐ Bill Request or ☒ Resolution Request Date of Request: 5/27/2022

1. Type of Request:

- ☒ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment
☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change
☐ Other:

2. Title: Approves a contract with Materna IPS USA Corp for a Common Use Equipment (CUTE) Maintenance and Support Agreement.

3. Requesting Agency: Department of Aviation

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Juan Lucero	Name: Carolina Flores
Email: Juan.Lucero@flydenver.com	Email: Carolina.Flores@flydenver.com

5. General description or background of proposed request. Attach executive summary if more space needed:

This request is for approval of a contract with Materna IPS USA Corp (Materna) to continue to providing Denver International Airport's (DEN) Common Use Terminal Equipment (CUTE) System, and to migrate the infrastructure of this system from an on-premise solution to a "cloud" solution managed by Materna. This system is used by twenty (20) airlines for processing passenger check-in operations at the check-in counter and/or at the boarding gates.

6. City Attorney assigned to this request (if applicable): Kevin Cain

7. City Council District: District 11

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): Professional services > \$500k.

Vendor/Contractor Name: Materna IPS USA Corp

Contract control number: 202158763

Location: Denver International Airport

Is this a new contract? ☒ Yes ☐ No **Is this an Amendment?** ☐ Yes ☒ No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): Date of Execution (DOE) plus 5 years.

Contract Amount (indicate existing amount, amended amount and new contract total): \$2,951,038.04

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
n/a	n/a	\$2,951,038.04

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
n/a	n/a	DOE Plus 5 Years

Scope of work:

To provide for Denver International Airport's (DEN) Common Use Terminal Equipment (CUTE) System, and to migrate the infrastructure of this system from an on-premise solution to a "cloud" solution managed by Materna. This system is used by twenty (20) airlines for processing passenger check-in operations at the check-in counter and/or at the boarding gates at DEN.

The term of the contract will be five years with a total contract capacity of \$2,951,038.04.

Was this contractor selected by competitive process? No

If not, why not?

Sole Source: This procurement qualifies for the Sole Source exception under Memorandum No. 8B and will not be competitively procured.

The hardware and software provided under this contract were originally acquired through a competitive RFP process. At the time of selection, DEN was replacing its outdated CUTE system. Ultra Electronics, the developer of proprietary CUTE solutions was selected. In March 2017, Ultra Electronics sold its intellectual property rights in the CUTE solution to Materna. Materna assumed the then-existing maintenance and support contract from Ultra, with the consent of the City. Following the purchase of all intellectual property rights in the CUTE solution in place at DEN, Materna is the sole vendor for this system and are the only company with the ownership rights and technical expertise to provide the required maintenance and support services. The CUTE system is indispensable to the City for operations by DEN's airline partners. Without the CUTE system, airlines would not be able to service passengers both at the terminal and boarding gates in an integrated fashion. CUTE allows the airlines to access the same electronic passenger information in both locations. Executive Order 8, Memorandum 8B allows the use of sole source selection in procurement where services are indispensable to the City and obtainable only from a single source. Further, Memorandum 8B allows sole source procurement where continuity of service is required. Both requirements are satisfied with this procurement. The only alternative to this sole source procurement is to conduct an RFP for a complete replacement of the CUTE system with another system from a

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different vendor. In that case, the new system would most likely be proprietary to that provider, resulting in subsequent sole source procurements from the replacement provider. In addition, replacement of the system would require significant time and significant capital expenditure by DEN.

Has this contractor provided these services to the City before? ☒ Yes ☐ No

Source of funds: O&M and CIP

Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☐ XO101 ☐ ACDBE ☒ N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? N/A

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