



Legislation Text

File #: 22-0665, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 5-30-2022

Requesting Agency: Denver International Airport
Division:

Subject Matter Expert Name: Carolina Flores
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Phone Number:

Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed Contract between the City and County of Denver and Materna IPS USA Corp. concerning the Common Use Terminal Equipment (CUTE) System and to migrate the infrastructure from an on-premises to a cloud-based solution at Denver International Airport.

Approves a contract with Materna IPS USA Corp. for \$2,951,038.04 and five (5) years to provide the Common Use Terminal Equipment (CUTE) System and migrate the infrastructure from an on-premises to a cloud-based solution at Denver International Airport in Council District 11 (202158763). The last regularly scheduled Council meeting within the 30-day review period is on 7-11-22. The Committee approved filing this item at its meeting on 6-8-22.

Affected Council District(s) or citywide? 11

Contract Control Number: 202158763

Vendor/Contractor Name (including any "DBA"): Materna IPS USA Corp.

Type and Scope of services to be performed:

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.

Location (if applicable): DEN

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment? New

Was this contractor selected by competitive process or sole source?

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 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.

For New contracts

Term of initial contract: 5 years

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term: \$2,951,038.04.

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change?

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)