



## City of Austin FSD Purchasing Office

### Certificate of Exemption

DATE: 08/21/2017

DEPT: Aviation

TO: Purchasing Officer or Designee

FROM: Diana Heath

BUYER:

PHONE: (512) 530-6341

Chapter 252 of the Local Government Code requires that municipalities comply with the procedures established for competitive sealed bids or proposals before entering into a contract requiring an expenditure of \$50,000 or more, unless the expenditure falls within an exemption listed in Section 252.022.

Senate Bill 7 amended Chapter 252 of the Local Government Code to exempt from the requirements of such Chapter expenditures made by a municipally owned electric utility for any purchases made by the municipally owned electric utility in accordance with procurement procedures adopted by a resolution of its governing body that sets out the public purpose to be achieved by those procedures. The Austin City Council has adopted Resolution No. 040610-02 to establish circumstances which could give rise to a finding of critical business need for Austin Energy.

This Certification of Exemption is executed and filed with the Purchasing Office as follows:

1. The undersigned is authorized to submit this certification.
2. The undersigned certifies that the following exemption is applicable to this purchase. (Please check which exemption you are certifying)
  - ☐ a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality
  - ☐ a procurement necessary to preserve or protect the public health or safety of municipality's residents
  - ☐ a procurement necessary because of unforeseen damage to public machinery, equipment, or other property
  - ☐ a procurement for personal, professional, or planning services
  - ☐ a procurement for work that is performed and paid for by the day as the work progresses
  - ☐ a purchase of land or right-of-way
  - ☒ a procurement of items available from only one source, including: items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies; films, manuscripts, or books; gas, water, and other utility services; captive replacement parts or components for equipment; books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits
  - ☐ a purchase of rare books, papers, and other library materials for a public library
  - ☐ paving, drainage, street widening and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements
  - ☐ a public improvement project, already in progress, authorized by voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes as authorized by the voters

- ☐ a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212
- ☐ personal property sold: at an auction by a state licensed auctioneer; at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or under an interlocal contract for cooperative purchasing administered by a regional planning commission established under Chapter 391
- ☐ services performed by blind or severely disabled persons
- ☐ goods purchased by a municipality for subsequent retail sale by the municipality
- ☐ electricity
- ☐ advertising, other than legal notices
- ☐ Critical Business Need (Austin Energy Only)

3. The following facts as detailed below support an exemption according to Section 252.022 of the Local Government Code for this purchase. Please verify the steps taken to confirm these facts. If you are citing the following exemptions, please provide the additional information requested below. A more detailed explanation of these exemptions is attached.

- **Preserve and Protect the Public Health and Safety** – Describe how this purchase will preserve and protect the public safety of residents.
- **Sole Source** – Describe what patents, copyrights, secret processes, or natural monopolies exist. Attach a letter from vendor supporting the sole source. The letter must be on company letterhead and be signed by an authorized person in company management.
- **Personal Services** – Describe those services to be performed personally by the individual contracted to perform them.
- **Professional Services** – Describe what mainly mental or intellectual rather than physical or manual and/or disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence are required to perform this service.
- **Planning Services** – Describe the services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the state or of municipal, county, metropolitan, or regional land areas.
- **Critical Business Need** – Describe the procurement necessary to protect the competitive interests or position of Austin Energy.


ABRM contains proprietary software developed by GCR Inc. including: 1) custom application programming logic, 2) custom database implementation and design, 3) proprietary communication software components, 4) custom software interfaces to the Airport's third party flight tracking system, and 5) proprietary software libraries developed by GCR Inc. to which GCR possesses the intellectual property rights. GCR Inc. is the only entity authorized to convert the existing ABM system to the next generation ABRM system, and provide ongoing maintenance and support services for the ABRM system.

4. Please attach any documentation that supports this exemption.
5. Please provide any evaluation conducted to support the recommendation. Include the efforts taken to ensure the selected vendor is responsible and will provide the best value to the City (Ex: evaluation of other firms, knowledge of market, etc).

The Department of Aviation selected GCR to install their property and revenue information management system at the airport through competitive bid in 1999. At that time the 3 major software products for airport specific property management and finance systems were evaluated. GCR's ABM (Airport Business Manager) software provided the highest level of functionality at the lowest cost. The ABM software has remained reliable and continues to meet the needs of the airport. Additionally, the vendor, GCR, Inc, has remained responsive, customer centric, and dependable. The airport's Finance and Property Divisions have spent the past 18 months reviewing the system and updating rules and standards to align the software with current airport business practices. There is currently only one other product on the market that provides the specific functionality provided by the GCR product. The airport has done an evaluation of that product, and vendor, and determined it not to be a good fit for the airport at this time.

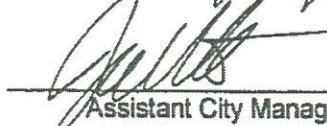
6. Because the above facts and documentation support the requested exemption, the City of Austin intends to contract with GCR, Inc.  
which will cost approximately \$260,872.00 (Provide estimate and/or breakdown of cost).

Recommended  
Certification

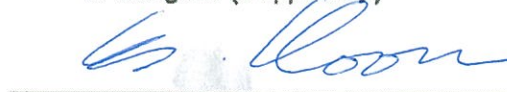
 8/21/17  
Originator Date

Approved  
Certification

 8/22/17  
Department Director or designee Date

 8/22/17  
Assistant City Manager / General Manager Date  
or designee (if applicable)

Purchasing Review  
(if applicable)

 9/19/17  
Buyer Date Manager Initials

Exemption Authorized  
(if applicable)

 9/19/17  
Purchasing Officer or designee Date

02/26/2013





**GCR Inc.**

2021 Lakeshore Drive, Suite 500  
New Orleans, Louisiana 70122

UNO Research & Technology Park  
Advanced Technology Center

TEL 504 304 2500 / 800 259 6192  
FAX 504 304 2525  
www.GCRincorporated.com

August 21, 2017, 2017

Ms. Diana Heath  
IT Project Manager  
City of Austin Aviation Department  
3011 Employee Avenue  
Building 1101  
Austin, TX 78719

Subject: Sole Source Statement for AirportIQ Business and Revenue Manager  
Software License and Implementation Services

Dear Ms. Heath:

GCR, Inc. implemented the **Airport Business Manager (ABM) System** for the City of Austin Aviation Department, Austin-Bergstrom International Airport, in December, 2000. ABM provides the enterprise-wide revenue management application for the Airport.

GCR is proposing updating the ABM system with the next generation of this system, the AirportIQ Business and Revenue Management System (ABRM). ABRM will provide a path to continue using the data that has been created in ABM over the past 17 years. ABRM will also be built on a technology that will assure the viability of the property and revenue management system for the foreseeable future.

ABRM, as the next generation of the ABM system, contains proprietary software and components for integration with other Aviation Department computer applications. ABRM, as is the case with ABM, contains:

- Custom application programming logic developed by GCR Inc.
- Proprietary software libraries developed by GCR Inc., which possesses the intellectual property rights to this software.
- Proprietary communication software components developed by GCR Inc.
- Proprietary software interfaces developed by GCR Inc. to the Airport telecommunications system and flight tracking system.
- Custom graphical user interface software developed by GCR Inc.
- Custom database implementation by GCR Inc.



All of these features and functions will utilize the data from ABM after proprietary processes are employed to convert the ABM data schema and content to the ABRM data schema and format.

GCR Inc. is the only entity which can effectively convert the Airport from the ABM system to the ABRM system, and then provide ongoing maintenance and support services for the ABRM system.

GCR Inc. is also the only vendor authorized to sell, install, upgrade and maintain the ABM and ABRM software. GCR Inc. does not utilize system integrators or reseller to sell the ABM and ABRM software.

Sincerely,

A handwritten signature in black ink, appearing to read "PABrady", written in a cursive style.

Patrick Brady  
AirportIQ Business Manager Product Manager