

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4e
Date of Meeting July 22, 2014

DATE: July 14, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Michael Ehl, Director Aviation Operations
SUBJECT: Contract Extensions with Flight Services and Systems, VIP Hospitality, and Olympic Security

Amount of This Request:	FSS = \$300,000 VIP = \$250,000 Olympic = \$75,000	Source of Funds:	Airport Development Fund
Est. State and Local Taxes:	N/A	Est. Jobs Created:	None
Est. Contract Value:	\$625,000 (5 months)		

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to take the following actions with respect to contracts for support services at the Airport's Federal Inspection Services facility: (1) execute a five-month contract extension with Flight Services and Systems (FSS) in the amount of \$300,000; (2) enter into a five-month contract extension with VIP Hospitality (VIP) in the amount of \$250,000; (3) enter into a four-month contract extension with Olympic Security (Olympic) in the amount of \$75,000; and (4) extend each of these contracts on a month-to-month basis beyond the date of December 31, 2014, at which time they will be scheduled to expire. The total amount of these contract actions is estimated at \$625,000.

SYNOPSIS

Port staff would like to extend the contracts for FSS, VIP, and Olympic through December 2014 until a request for proposal (RFP) can be issued and a contract can be awarded competitively that combines the services of all three suppliers under a single contract known as Centralized International Support Services (CISS). The current contracts are set to expire and/or exceed their current values before their expiration. These contracts are needed to maintain services in the FIS and prevent interruption of service and airline operations.

BACKGROUND

The Federal Inspection Service (FIS) is currently supported by three different service contracts. FSS provides baggage handling support at FIS claim devices and recheck belts to maximize

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capacity while capturing and recirculating baggage carts in the FIS. VIP provides passenger services in Passport Control by regulating passenger flow and volume by holding flights, and assisting passengers with kiosk usage, CBP documents, interpreting and wayfinding. Olympic provides access control in the non-sterile corridor. Both the FSS and VIP contracts were emergency contracts implemented in February 2014 after the airlines requested the Airport to take over management of these services. Airport staff plan to issue an RFP to combine all these services under a single contract to start on or before January 1, 2015. Some time is required to develop requirements in the RFP that are consistent with those described in Resolution No. 3694, relating to employment and compensation standards for staffing and safety and security in the Airport Operations Area.

Both the FSS and VIP emergency contracts were authorized only through July 31, 2014, and their expenditures are expected to exceed \$300,000 each. Contract extensions are needed for both of these contracts. Further, we expect the FSS contract to exceed the \$300,000 limit by the end of July and require additional authorization to meet the July services provided, as well as to continue through December 2014. The VIP contract is expected to exceed \$300,000 in September and require additional authorization to continue through December 2014. These extensions are for five months through December 2014. The month-to-month extensions ensure continuity of services until the RFP results in an awarded contract.

The Olympic contract expires on August 31, 2014, and presents an excellent opportunity to align all three services under one service provider and RFP. Funds are already budgeted and do not exceed \$300,000 annually, though the increase through December is estimated at \$75,000 (four-month extension).

PROJECT JUSTIFICATION AND DETAILS

Centralized support services are needed for public safety and security, efficiency of airline and U.S. Customs and Border Protection (CBP) operations, and passenger convenience. The airlines requested that the Airport assume management of these services under a unified contract in 2013. In February 2014, the Airport implemented emergency contracts for both FSS and VIP. All three services are critical for the FIS operation. Without these services, passenger processing, crowd control, baggage handling, and security would be unsupported, crippling the international operation and the international airlines' operations.

The Airport's Manager of International Operations currently oversees all three contracts with support from one supervisor. This proposal extends the existing contracts until such time as the RFP for CISS can be issued and competitively bid.

Scope of Work

Passenger Services include customer service, interpreter services, crowd control, directing passengers into the appropriate primary inspection queues, holding flights and passengers, controlling the flow of passengers down escalators and through the FIS, assisting passengers with CBP documents and new automated passport control kiosks (APC) that have recently been introduced and ensuring security of the sterile environment in the South Satellite and FIS.

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Without these services, APC would not be supported, CBP processing rates would be slower, there would be increased danger and liability to the passengers, aircraft would not be allowed to deplane until space was available in the FIS primary. This would cause delays to departures, confusion and crowding in the primary inspection area, the international corridor, the baggage claim and the recheck areas, and all passengers would have to exit the FIS through the TSA checkpoint and be rescreened.

Baggage Services include repositioning baggage at FIS carousels to maximize capacity, assisting passengers with placing baggage on the recheck belts, and capturing and recirculating the baggage carts. These controls are needed to keep baggage moving into and out of the FIS facility. Without these services the delivery of baggage to claim devices would not be coordinated with the arrival of passengers to claim the baggage. The result would be jammed claim devices and dangerous crowding in the FIS Customs Hall. Experience has shown that without assistance from service personnel, passengers arriving from overseas destinations are confused between baggage recheck locations and frequently place connecting bags on conveyor belts destined for terminating passengers and vice versa. Without staff assistance, the South Satellite Transit System (STS) loop would be affected as passengers attempt to carry multiple, oversized bags and carts onto the train, slowing down the boarding process and causing dangerous conditions on escalators after exiting the train.

FINANCIAL IMPLICATIONS

Budget Status and Source of Funds

The source of funds will be expense from within Aviation Operations budget or contingency funds.

STRATEGIES AND OBJECTIVES

This request supports the Port's Century Agenda objective to advance the region as a leading tourism destination and business gateway. Specifically, continuing to provide these services for arriving international passengers supports making the Airport the West Coast "Gateway of Choice" for international travel and supports the goal to double the number of international flights and destinations. This request is also essential for maintaining excellent customer service and for keeping the FIS functioning properly in the near term.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Do nothing. The contracts expire and services are unfulfilled, creating dangerous and crippling conditions for arriving international passengers and operations. This is not the recommended alternative.

Alternative 2) – The Port extends the existing contracts and progresses towards issuing a competitive RFP to centralize the services. This option maintains existing support services and levels of service needed for continued international operations. **This is the recommended alternative.**

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ATTACHMENTS TO THIS REQUEST

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- None.