



PORT OF SEATTLE
MEMORANDUM

Date: October 22, 2009

To: Port Commission

From: John Christianson, General Manager, Aviation Maintenance *JC*

Subject: Notification that the Port intends to renew the Five (5) Year Sole Source Technical Assistance Agreement with Bombardier Transportation Inc.

Amount of This Request: \$1,535,803.32

Source of Funds: Airport Development Fund; specifically budgeted in Aviation Maintenance annual operating budget

Notification

This is for the authorization to execute a Sole Source Technical Assistance Agreement on this vital people-mover system. For the safety of the general public and maintaining the reliability of the operation of the Satellite Transit System, we will require factory-certified, technical expertise, with access to the systems source codes, to assist with programming changes and maintenance work on this proprietary system. Please see the attached Bombardier Justification Letter from Aviation Maintenance for additional details.



October 5, 2009

To: Central Procurement Office
From: John Christianson, General Manager, Aviation Maintenance
Subject: Sole Source for Bombardier Transportation Technical Assistance Agreement

This memorandum requests approval for sole source procurement of the Bombardier Transportation Technical Assistance Agreement based on the following detailed information.

In 2003, the PORT completed a capital improvement project to upgrade the existing STS (Satellite Transit System), Capital Improvement Project (CIP) project 100783. Since this was an upgrade to the system, the Bombardier proprietary system was the winning selection. As with most new systems or upgrades, an initial maintenance service warranty was provided.

Port technicians were trained on the daily maintenance requirements but we still have a need for factory-certified technical expertise to assist with major programming changes and maintenance work on this proprietary system. This includes software upgrades and modifications. In addition, parts for the STS are proprietary and only available from the manufacturer.

To budget and pay for the Bombardier Technical support, and other factory supported technical expertise, we need to have in place a Technical Assistance Agreement with Bombardier for this system. We believe that the best method to provide long-term technical support is to implement a five-year Technical Assistance Agreement.

Bombardier's on-site support has contributed to maintaining an operating efficiency of over 99%. Their representative has been a resource for parts issues, troubleshooting, providing test procedures, mentoring POS mechanics, training new employees, and providing a conduit to support services at Bombardier's home office in Pittsburg.

Due to the proprietary nature of the system, Bombardier is the only entity that is factory-certified to provide these on-going technical assistance services and parts to the Port. The value of this contract will be \$1,535,803.32 over a five (5) year term.

Approved: Nora Huey Date: 10/5/09
Nora Huey, Director, Central Procurement Office

Approved: Craig Watson Date: 10/6/09
Craig Watson, Legal

Approved: Ralph Graves Date: 10/6/09
Ralph Graves, Managing Director, Capital Development Division

PORT OF SEATTLE
MEMORANDUM

DATE: October 14, 2009
TO: Central Procurement Office
FROM: John Christianson, General Manager Aviation Maintenance *JPC*
SUBJECT: Sole Source for Bombardier Transportation Technical Assistance Agreement

1. How was it determined that Bombardier is a sole source?

The existing STS (Satellite Transit System) was completed by Bombardier under CIP number 100783 in 2003, replacing their previous system that was in operation since 1973. Bombardier has provided Technical support for the Satellite Transportation System throughout its operating tenure at Seattle-Tacoma International Airport. There are no other sources that could provide the support needed for the operation and reliability of the STS. The services provided by Bombardier include support for new train controls, a conduit for subsystem support, and product safety management. These specialized tasks are provided by Bombardier at other facilities that use similar train systems.

2. Why is no other design suitable for your requirements?

Any change in design to the current Bombardier Satellite Transportation System would require major changes to the infrastructure and would be cost prohibitive.

3. Are there unique skills or knowledge required for the Bombardier STS?

The Satellite Transportation System has proprietary controls that Bombardier's Technical Representative has thorough knowledge of and can support in a timely manner. The proprietary controls include a new Communication Based Train Control (CBTC), Bombardier CITYFLO 650 Automatic Train Operation and Protection software, supporting equipment, and subsystems.

Quick response times to address systems issues are crucial to maintaining a high level of operating standards and reliability.

4. Mandate from Federal or State Government required.

There are no Federal or State Government mandates required.

Bombardier mandates specific safety requirements for the Satellite Transportation System with the Technical Representative playing a significant role in managing those requirements. The on-site Bombardier Technical Representative updates current employees on safety issues and trains new employees on safety requirements.

5. What are the consequences of not approving the sole source request?

Not having a factory trained representative on site could result in system failures that puts the passengers at risk of injury and cause flight delays. Their representative has been a resource for

parts issues, troubleshooting, providing test procedures, mentoring POS mechanics, training new employees, and providing a conduit to support services at Bombardier's home office in Pittsburgh.

6. What negative consequences will result by formally bidding this requirement?

There are no other service providers that could support the requirements of the Bombardier Satellite Transportation System. STS operations could be adversely affected without adequate support in place.

7. What is the estimated cost of this request?

The total cost of the Bombardier Transportation Technical Support Agreement will be \$1,535,803.32 over a contract term of (5) years. A table is attached showing the monthly payment details per contract year.

Year	Escalation	Proposed Monthly Payment	Total Annual Payments
1		24,593.13	295,117.50
2	2.00%	25,084.99	301,019.85
3	2.00%	25,586.69	307,040.25
4	2.00%	26,098.42	313,181.05
5	2.00%	26,620.39	319,444.67

8. How was this cost determined to be reasonable?

Similar operations where Bombardier provides full service support the cost is twice what our in-house resources, including our on-site technical representative, budget to provide a safe and reliable transportation system. Our Satellite Transportation System Maintenance department has consistently maintained a system reliability rate of over 99%. The reliability rate is higher than any other similar Bombardier system at any location.

The cost of support for the Satellite Transportation System is required to maintain system reliability and compliance to operating standards. This contract provides immediate response to issues by the on-site Technical Representative and an efficient conduit for parts and services from Bombardier support in Pittsburgh.

9. Is this request a one time requirement?

No. This Bombardier Transportation Technical Service Agreement will be required through the life of the Satellite Transportation System.

10. What are other costs incurred from this request?

The POS will provide the Bombardier Engineer with office space, administrative support services, communications, and parking privileges.

11. What other methods of fulfilling this requirement have been explored?

Due to the proprietary nature of the Satellite Transportation System and the specialized technical knowledge required, alternative vendors are likely to be more expensive and will be unable to provide the required service level that Bombardier can provide.

Service support provided by Bombardier solely through their Pittsburg home office would result in delays for service and parts thus affecting operating efficiencies. Support personnel would have to be scheduled to fly to our site and the exact nature of system problems may not be diagnosed until a Bombardier Engineer arrives on site.

Certification that Aviation Maintenance Department personnel making this recommendation to the Port of Seattle Senior Manager, Procurement Services has/have no financial or other beneficial interest in Bombardier Transportation, a Division of Bombardier Inc.

I warrant and covenant that I have no direct or indirect pecuniary or proprietary interest, and that they shall not acquire any such interest which conflicts in any manner or degree with the performances of the work and services provided by Bombardier Transportation, a Division of Bombardier Inc. In the event that the Port or any of its Consultants or its agents, employees or representatives hereafter acquires such a conflict of interest, the Port shall immediately disclose such interest to the Port of Seattle Legal Department, and take action immediately to eliminate the conflict. In addition, with my signature below I further state that I am not nor will I within 18 months of this justification seek employment with this firm. I hold that the information provided is true and complete to the best of my knowledge under the penalties of perjury in the State of Washington.




John R. Christianson
General Manager, Aviation Maintenance
Seattle Tacoma International Airport

10/14/2009
Date



Riley M. Parker
Senior Maintenance Manager, Electrical and Electronics
Seattle Tacoma International Airport

10/14/2009
Date



Gary P. Richer
Maintenance Manager, Electronic Systems
Seattle Tacoma International Airport

10/14/2009
Date



Tom O'Day
Maintenance Manager, Electronic Systems
Seattle Tacoma International Airport

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Date