

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5c

Date of Meeting January 11, 2011

DATE: December 15, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Ron Harmon, Airport Emergency Manager
John Christianson, General Manager, Aviation Maintenance

SUBJECT: Use of FEMA Reimbursement Funds for Improvements to Airport Command Vehicle and Snow Equipment.

Amount of This Request: \$621,137 **Source of Funds:** FEMA 75%; WA State 12.5%;
POS 12.5% (ADF)

State and Local Taxes Paid: \$60,000 (est) **Jobs Created:** N/A

ACTION REQUESTED:

Authorization for the Chief Executive Officer to use reimbursement funding from the Federal Emergency Management Agency (FEMA) to execute contracts and purchase two small skid loaders, three new blades for existing snow plows, and three new sand hoppers for existing sanding vehicles and to update the Airport Command vehicle. The total amount of this request is \$621,137 of which the Port of Seattle's allocated share is \$77,650.

SYNOPSIS:

FEMA has approved \$621,137 in reimbursement project funding from the 2008 snow storm. The federal government's share is 75%, the State of Washington 12.5% and the Port of Seattle (Port) 12.5%. The Port's unreimbursed expenditures will not exceed \$77,650. In order to use FEMA funding as proposed, all work on this project must be completed by August 1, 2011.

The FEMA reimbursement is restricted to a series of small projects that will fund the purchase of two small skid steer loaders; three new blades for existing snow plows; three new sand hoppers for existing sanding vehicles, and will provide updates to the Airport Command Vehicle. This is an opportunity to realize needed upgrades to severe-storm equipment at a considerable savings through the use of federal and state funding. This equipment will enable better snow clearing capabilities around gate jet bridges than ever before, as well as enable the Airport to upgrade its sanding equipment to ensure Airport roads (public and private) are kept in safe operating condition. The upgrades to the Airport Mobile Command Vehicle will assure flexibility and coverage for both the Airport and Seaport in emergency situations.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

December 15, 2010

Page 2 of 4

BACKGROUND:

After the severe storm of December 2008, Port of Seattle staff filed reimbursement requests with FEMA for eligible projects to replace expended materials, augment wages and replace destroyed assets. We were successful in having a request for \$1.2 million approved. One portion of this approval was for the replacement of the Airport Cruise tent which was crushed under the weight of the snow. After FEMA approval, Aviation Operations determined that the tent was no longer a necessary asset. Staff filed a request to FEMA for an Alternate Project to use these funds as outlined above, which has been approved. FEMA projects are accomplished on a purchase/reimbursement basis.

PROJECT JUSTIFICATION:

This authorization request is necessitated by the terms of FEMA's project rules. In order for FEMA to fund this project at 75%, we must complete all work by August 1, 2011.

Project Objectives:

Purchase much needed equipment at 12.5% of total cost.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

The project will fund the purchase of 2 small skid steer loaders; 3 new blades for existing snow plows; 3 new sand hoppers for existing sanding vehicles, and will provide updates to a Mobile Command Vehicle.

Schedule:

The Project Schedule is as follows:

Finalize Procurement Order	January 2011
Order Items	February 2011
Receive Items	July 2011
Project Completion	August 2011
Project Close-out	August 2011

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	\$621,137
Budget Increase	\$0
Budget Transfers	\$0

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

December 15, 2010

Page 3 of 4

Revised Budget	\$621,137
Previous Authorizations	\$0
Current request for Authorization	\$621,137
Total Authorizations, including this request	\$621,137
Remaining Budget to be Authorized	\$0

Project Cost Breakdown:

Skidders, Blades, Hoppers, Command Vehicle Modifications	\$561,137
Sales Tax	\$60,000
Outside Professional Services	\$0
Port Soft Costs**	\$0
TOTAL	621,137

Budget Status and Source of Funds:

FEMA Reimbursement Share	\$465,837
State Reimbursement Share	\$77,650
Port of Seattle Share	\$77,650
Total	621,137

Financial Analysis and Summary:

Based on application of the Port's capitalization policy, those items that can be capitalized will be included in the Aviation Small Capital CIP (C800018). Those items that cannot be capitalized will be included in the operating budget of the appropriate department. Since the FEMA and State reimbursements will be netted against these costs for purposes of calculating airline rates and charges, the maximum additional cost to the airline rate base is the Port's share of \$77,650

Lifecycle Cost and Savings:

This opportunity will fund the replacement of much worn equipment that has exceeded its service life. The plow blades and sand hoppers will extend the life of existing equipment and the skid loaders have been a requested addition to the snow fleet for several years. Upgrades to the

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

December 15, 2010

Page 4 of 4

Mobile Command Vehicle are long overdue and will improve the capability of staff in the vehicle to coordinate and disseminate information during an emergency.

Annual Aviation expense will increase by \$3,200 per year to maintain the two new skidders and other equipment.

ENVIRONMENT AND SUSTAINABILITY:

The purchase of this new equipment will be in line with all purchases currently made by Maintenance and the Police Department. Whenever feasible, items will be purchased that will help to reduce the carbon footprint.

STRATEGIC OBJECTIVES:

Improvements to Airport Command Vehicle and snow equipment provide our staff with equipment and tools needed to be a High Performance Organization

BUSINESS PLAN OBJECTIVES:

Increasing the service life of snow equipment that we have readily available will help us respond faster and more efficiently during an emergency to ensure continuity of operations.

TRIPLE BOTTOM LINE SUMMARY:

This project helps the environment by reducing the amount of time required to remove snow that is left on the aircraft movement areas and airport roadways, which in turn allows our business partners to ensure their operations are efficient and thereby use the minimum amounts of fossil fuel and deicing fluid. Our community and local businesses also depend upon the airport, so keeping it operating even during storms is beneficial.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Do Nothing. This alternative does not allow us to take advantage of the federal and state funding for these necessary expenditures as it will not be available at a later date. This is not the recommended alternative

Alternative 2: Purchase 2 small skid steer loaders; 3 new blades for existing snow plows; 3 new sand hoppers for existing sanding vehicles, and provide updates to the Airport Command Vehicle. This alternative enables us to obtain needed upgrades to critical severe storm equipment and upgrade the Airport Mobile Command Vehicle to assure flexibility and coverage for both the Airport and Seaport in emergency situations at a considerable savings through the use of federal and state funding. This is the recommended alternative

PREVIOUS COMMISSION ACTION:

N/A