

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5d

Date of Meeting July 26, 2011

DATE: July 11, 2011

TO: Tay Yoshitani, Chief Executive Officer

FROM: David Soike, Director, Aviation Facilities and Capital Program

SUBJECT: Additional Contracted Maintenance Coverage to Support the Renewal and Replacement of Escalators at Seattle-Tacoma International Airport

Amount of This Request: \$650,575 **Source of Funds:** Airport Development Fund

State and Local Taxes Paid: \$61,000 **Jobs Created:** 3

Total Maintenance and Repair Budget: \$3,965,891

ACTION REQUESTED:

Request Port Commission authorization for the Chief Executive Officer to issue a Contract Amendment to the Port of Seattle's existing Elevator and Escalator Maintenance Contract for the balance of the 2011 calendar year. This amendment provides additional repair and maintenance workers to be on duty to respond to escalator outages during the construction project and will increase the monthly cost of the existing contract by \$130,115 for the five remaining months of 2011 beginning in August. The amount of this request is \$650,575, which makes the total estimated cost of the work \$3,965,891. Commission previously authorized \$3,315,316 of the total in the 2011 budget.

SYNOPSIS:

This memorandum requests approval to execute a Contract Amendment to the existing Elevator and Escalator Maintenance Contract presently in service. This Amendment has been requested to support the Escalator Renewal and Replacement Project that is getting underway in August. As that project proceeds with the replacement of escalators, a significant increase in passenger loading on adjacent elevators and escalators is anticipated. As a result the criticality of keeping those adjacent elevators and escalators in continuous operation increases.

In an effort to ensure appropriate customer service, staff is requesting that additional repair and maintenance staff be provided to be able to respond more quickly to events that cause escalator outages, and to have workers available to perform maintenance and repairs immediately or during the next available less congested times of the day or night.

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BACKGROUND:

The escalators included in the replacement project have been in daily use since their installation in the early 1970's and have reached the end of their useful service life. Several of the escalators have failed over the past few years causing passenger disruptions and requiring costly emergency repairs. In an effort to lessen the impact of further failures, a significantly higher level of repairs and maintenance has been necessary, resulting in increased maintenance expenses.

The Commission previously authorized the use of the "Design-Build" contracting method in accordance with RCW 39.10.280 and 300-330 for the renewal and replacement of the 42 oldest escalators in the facility and the addition of two new escalators. As this project moves forward into the construction phases, a significant portion of the escalators serving the terminal areas will be taken out of service for their renewal or replacement.

While these units are out of service, adjacent skybridge escalators and elevators in the vicinity will see significantly increased usage. The escalators and elevators will also become more critical to our customers, including Airlines, tenants and passengers as we work to move passengers and staff around the terminal with limited vertical conveyance.

At the request of Port staff and our customers, Aviation Maintenance staff have determined what additional level of service would be most appropriate, and thus what work should be added by amendment to the existing maintenance provider's ongoing service contract with the Airport. The results of the customer service considerations have lead to this request.

CONTRACT AMENDMENT DESCRIPTION AND JUSTIFICATION:

The following information relates to the pending Contract Amendment scope and cost:

Scope of additional services:

- Addition of one (1) Elevator and Escalator Maintenance Technician from 8:30AM to 5:00PM Monday through Friday.
- Addition of two (2) Elevator and Escalator Maintenance Technicians from 8:00PM to 4:00AM Monday through Friday.
- Extension of on site coverage on Saturdays, Sundays and Holidays from 1 hour and 45 minutes per day to 10 hours per day from 5:00AM to 3:00PM.

Justification:

As the Escalator Replacement project has moved forward, Port staff and our Airline customers have been engaged in a review of the impacts of this project. In an effort to mitigate the impacts, Aviation Maintenance was asked to increase the staffing level and hours of coverage for the Elevator and Escalator Maintenance Contractor.

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Presently, the Maintenance Contractor provides services from 4:00AM to 12:00 Midnight Monday through Friday. In addition, the Contractor provides services from 6:00AM to 7:45AM on Saturdays, Sundays and Holidays.

The first phase of construction calls for the replacement of all escalators at Sky Bridges 2 and 4 with a duration of almost 4 months. During the closures, higher levels of passengers will be diverted to adjacent escalators that are aged with higher tendency for failures. The requested additional preventive maintenance and repair will improve the reliability of the impacted escalators. Additional maintenance will also be performed on adjacent impacted elevators which in many cases are also aged and targeted for replacement. Further, the additional maintenance staffing will provide greater coverage during the weekdays and weekends to respond to outages and undertake repairs. Airlines have raised as their primary concern the potential for outage of adjacent escalators and elevators during construction due to the amplified impacts resulting from the construction closures.

With additional staffing, maintenance on the units in operation can be more readily scheduled during off-peak times of the day, or days of the week. With 24-hour-per-day coverage, responses to falls and other equipment shutdowns can occur in a more timely fashion, and repairs, if necessary, can be executed more quickly.

Additional weekend coverage again provides additional support during peak travel hours in an effort to support our customer needs. With heavy passenger travel, equipment shutdowns occur for a number of reasons. Having staff available to respond during those peaks has proved beneficial when utilized on a case-by-case basis in the past. This addition to the contract for the remainder of this year will formalize this action.

Consequences of not proceeding:

Providing easy access into and throughout the terminal is critical for passenger circulation and customer service. The Escalator Project requires closure of escalators in sky bridges and other location to ensure replacement in a timely manner with manageable levels of disruption. Airlines have expressed their concerns regarding the reliability of the impacted escalators and elevators that will need to absorb the increased traffic levels. To maintain the schedule in the construction contract for replacements and avoid potentially costly change orders, acceptable levels of disruption must be maintained to avoid rephasing the project and extending the contract duration.

Aviation Maintenance has worked to support the needs of the project within the confines of their existing maintenance budget. If the choice is made to not proceed with these additional resources, the Elevator and Escalator Maintenance Contract staffing will remain the same as it is today. This will likely result in equipment outages for longer periods of time, and equipment outages at more impactful periods of time, as work will be performed according to the more limited schedule in the present contract.

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FINANCIAL IMPLICATIONS:

Budget/Authorization Summary

Original 2011 Maintenance and Repair Budget	\$3,315,316
Proposed 2011 Contract Amendment	\$650,575
Proposed 2011 Maintenance and Repair Budget Total	\$3,965,891

Budget Status and Source of Funds:

This work was not included within the 2011 annual budget that was prepared during the latter half of 2010. Construction phasing planning and airline customer outreach during the first half of 2012 indicated that it would be necessary to have additional contracted repair and maintenance staff on hand during the construction work to assure that nearby escalators are working properly to minimize disruption of service to travelers moving through-out the airport. Additional coverage will also be necessary next year during 2012 and will be included in the budgeting effort this fall.

ENVIRONMENT AND SUSTAINABILITY:

This project is consistent with the Port's goal of improving the long term sustainability of its facilities and operations. The new escalators will be 20% more energy efficient than the existing escalators. This request for authorization is supportive in that it enables the new escalators to be installed with fewer disruptions to passenger flows at the Airport.

STRATEGIC OBJECTIVES:

The project provides enhanced reliability and performance for critical vertical transportation in significant areas of the Airport, which facilitates use of the Airport by the traveling public.

BUSINESS PLAN OBJECTIVES:

This authorization supports the overall Port objective to ensure Airport vitality, and it supports the Airport's objectives to maintain a world class airport by anticipating the needs of its customers while also striving to be recognized as one of the top ten airports in the world with regard to customer service.

TRIPLE BOTTOM LINE SUMMARY:

This project will reduce the overall maintenance costs by reducing the high costs of emergency repairs. This effort reduces the Airport's exposure to liability by supporting the replacement of escalators that are beyond their useful life. Ensuring that the Airport's vertical transportation system is safe and reliable promotes efficient Airport operations that benefit the traveling public, while improved energy efficiency benefits the environment.

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ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Various alternative staffing levels were analyzed in conjunction with Operations Department and Project Management staff. Two are presented below:

Alternative 1: Minimal Additional Support: Add one or two FTE positions only at certain times of workdays, and at limited levels during weekends.

Alternative 2: Full Support: Based upon peak traveler demand in the late summer, Labor Day weekend, Thanksgiving, and December holiday periods; customer service needs dictated that staff provide a fuller level of coverage as presented earlier in this memo. Depending upon actual experience in the first months, staff may determine to reduce coverage if ample customer service levels can be maintained. This is the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTION:

On February 1, 2011, the Commission authorized the award of the Design Build contract and the construction of the project.

On June 22, 2010, the Commission authorized the issuance of a Request for Proposals under the Design-Build contracting procedure.

On May 4, 2010, the Commission tabled a request to issue an RFP pending further information concerning the need for revenue bond financing for this project.

On April 13, 2010, the Commission authorized the advertisement of the RFQ under the Design-Build contracting procedure, and the application of a PLA. The project scope was changed to include a second new escalator in the South Satellite.

On September 22, 2009, the Commission was briefed on the Airport's "Facility Functionality and Readiness", which included a discussion of the escalators and elevators.

On July 22, 2008, the Commission authorized \$3,183,000 to prepare the performance specifications and preliminary design for the Renew/Replace 42 Escalators and 1 New Escalator project at Seattle-Tacoma International Airport.