

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.** 5b

**Date of Meeting** December 6, 2011

**DATE:** November 22, 2011

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** John Christianson, General Manager Aviation Maintenance

**SUBJECT:** Airport Elevator and Escalator Maintenance Service Contract

**Amount of This Request:** \$0      **Source of Funds:** Airport Development Fund

**Est. State and Local Taxes:** \$266,000 (2012)

**Total Contract Value:** \$3,062,000 (2012); Future years to be determined

**ACTION REQUESTED:**

Authorization for the Chief Executive Officer to execute appropriate contract documents, including amendments, to continue to receive elevator and escalator maintenance and repair services for all elevators, escalators and moving walks at the Seattle Tacoma International Airport, excluding the Rental Car Facility. Authorization is being requested to execute Airport contracts via the Statewide Contract for service over a five (5) year period through December 2016. The budgeted cost of this service for the year 2012 is \$3,062,000 including tax. Costs will be determined annually and included in each forthcoming annual budget.

**SYNOPSIS:**

Next year's annual cost of this contract for has been included in the 2012 operating budget that was adopted by the Commission on November 22, 2012. However, Port Resolution No. 3605, as amended, mandates that the Chief Executive Officer receive Commission authorization to execute contracts greater than \$300,000.

The State of Washington issued Contract No. 01507 for Statewide Conveyance Maintenance and Repair. The contract term had an initial term of three (3) years from the date of award (4/17/2007) with extension options, not to exceed fifteen (15) years. The State is presently in their first three (3) year extension option period following the original contract term of three (3) years. The Port of Seattle is authorized to access this contract through the Washington State Office of State Procurement of which the Port is a cooperative member.

In conjunction with the State of Washington, the Port of Seattle provides input regarding the performance of the service contractor, and assists in the process of evaluating the options to

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either extend the contract, or implement another competitive bidding process. The extensions are subject to mutual agreement and remain consistent with the current terms and conditions.

Although the current term of the state contract ends on April 30, 2013, it may be extended until 2022.

### **BACKGROUND:**

Elevator, escalator and moving walk maintenance and repairs require the services of specifically trained and licensed technicians. Historically that work has been performed by a maintenance contractor specializing in this work. This is the standard process in the industry both locally and nationally. Elevator and Escalator maintenance and repair technicians are licensed by the State of Washington and fall under the jurisdiction of the Department of Labor and Industries.

Until 2009, the Port of Seattle acted independently to procure these services through a competitive bidding process. In 2009, Aviation Maintenance in conjunction with the Central Procurement Office (CPO) elected to utilize the services of the State of Washington Department of General Administration, and become a partner in the State of Washington Statewide Conveyance Maintenance and Repair Contract. The Airport has purchased services in this fashion annually since 2009, and anticipates continuing this method annually for the duration of this authorization. Aviation Maintenance Staff, in conjunction with the State of Washington and CPO evaluate the contract rates and hours of service coverage to determine if the costs are reasonable for the service provided.

### **PROJECT JUSTIFICATION:**

#### ***Project Objectives:***

The objective of this request is to allow the Aviation Maintenance Department to continue to maintain the Seattle Tacoma International Airport Passenger Conveyance Systems in an effective manner, ensuring the Airport continues to operate appropriately.

### **PROJECT SCOPE OF WORK:**

The scope of work for this Contract is to provide all preventive, corrective and emergency maintenance and repairs on the 167 pieces of passenger conveyance equipment (Elevators, Escalators and Moving Walks) at the Airport. Not included in this scope, are the Elevators and Escalators at the Rental Car Facility (RCF). The contract for RCF falls under the responsibility of the Rental Car Company consortium.

### **FINANCIAL IMPLICATIONS:**

#### **Budget Status and Source of Funds:**

Contract payments are included annually as specific line items in the Aviation Maintenance Expense budget. The funding source is the Airport Development Fund. Funding for future years will be included in future Aviation Maintenance annual expense budgets as specific line items.

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### **ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:**

Alternative 1: Do Nothing. Do not execute a contract through the State of Washington. Because the equipment requires licensed technicians, and the Port does not presently employ any of those technicians directly, we will be unable to maintain the system as it should be. Equipment failures will eventually occur. This is not the recommended alternative.

Alternative 2: Attempt to procure a contract independently through the Port's Central Procurement Office. Because of the magnitude of the contract, it is anticipated that it would take approximately nine months to execute this process. The Airport will be without services for the duration of the contract development and execution. This is not the recommended alternative.

Alternative 3: Authorize Aviation Maintenance to continue to participate in the Statewide Conveyance Maintenance and Repair Contract annually for a maximum of five (5) years. Port staff believe that by leveraging the larger purchasing power of the State of Washington we can achieve a competitive price for the services rendered, while avoiding the administrative costs of a separate procurement process. The State Contract presently includes such large organizations as Seattle Public Schools, the University of Washington, City of Tacoma Public Works, and many other public agencies. **This is the recommended alternative.**

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

N/A

### **PREVIOUS COMMISSION ACTION:**

- On December 15, 2009 the Commission authorized the Chief Executive Officer to exercise options and otherwise proceed with existing goods and purchased services agreements needing renewal prior to January 31, 2010, a total of six contracts. The Elevator, Escalator and Moving Walk Maintenance and Repair contract for 2010 was included in that authorization.
- On November 8, 2011, the Commission completed the First Reading of Resolution No, 3654, the 2012 budget that included this Airport passenger conveyance (escalators, elevators, and moving walks) operating budget item.
- On November 22, 2011, the Commission adopted Resolution No. 3654, as amended.