

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5b
Date of Meeting February 14, 2012

DATE: February 6, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: John Christianson, General Manager Aviation Maintenance

SUBJECT: Purchase of Snow Removal Equipment (C800498)

Amount of This Request: \$2,000,000 **Source of Funds:** Airport Development Fund

Est. State and Local Taxes: \$175,000 **Est. Construction Jobs Generated:** N/A

Total Project Cost: \$2,000,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to execute contracts for the purchase of additional runway snow removal equipment at Seattle-Tacoma International Airport for a total authorization of \$2,000,000.

SYNOPSIS:

This memorandum requests authorization for the Airport to acquire additional runway snow removal equipment in order to achieve one-pass snow and ice control operations on the Airport's westernmost runway (16R/34L). When completed, the purchase of the additional equipment will increase runway availability and reduce departure delays during snow and ice control activities. Port staff will operate this equipment during snow & ice control events.

BACKGROUND:

Based on Alaska Airlines' request to improve runway snow-removal clearance times and in order to minimize departure delays to the greatest extent possible during snow events, multiple snow removal scenarios were reviewed with Alaska Airlines management representatives. On September 16, 2011, Airport Operations and Airport Maintenance staff met with Alaska Airlines Senior Management and finalized near-term action plans necessary to accomplish the stated and shared objectives. In this meeting it was agreed that the Airport's current snow-removal program of two dedicated runway removal teams, first implemented this past year, will continue for the time being. It was also decided that layering in additional equipment in a measured manner was the best approach.

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This translates to an acquisition of just enough equipment to accomplish a one pass clearance operation on Runway 16R/34L for the 2012/2013 snow and ice control season. It was estimated that the total capital investment for the necessary additional equipment would be approximately \$2 million dollars.

PROJECT JUSTIFICATION:

The purchase of the additional pieces of snow removal equipment will improve the timeliness and effectiveness of snow and ice control activities on the Airport's runways and taxiways.

Project Objectives: Purchase enough additional snow-removal equipment to accomplish a one pass clearance operation on Runway 16R/34L with the newly formed "West Runway" snow removal team.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

Purchase four (4) runway snow plow and runway snow broom combination units for snow and ice control at the Airport for a total authorization of \$2,000,000.

Schedule:

- Commission Authorization February 2012
- Specification Development February 2012
- Perform Acquisition Planning March 2012
- Bid Advertisement April 2012
- Receive Bids & Award Contract June 2012
- Snow Equipment Delivered and in Service November 2012

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary

Original Budget	\$2,000,000
Previous Authorizations	\$0
Current request for authorization	\$2,000,000
Total Authorizations, including this request	\$2,000,000
Remaining budget to be authorized	\$0
Total Estimated Project Cost	\$2,000,000

Project Cost Breakdown

Equipment Purchase	\$1,825,000
State & Local Taxes (estimated)	\$175,000
Total	\$2,000,000

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Budget Status and Source of Funds:

This project is included in the 2012-2016 capital budget and plan of finance as a business plan prospective project within CIP #C800498. The funding source will be the Airport Development Fund.

Financial Analysis and Summary:

CIP Category	Renewal/Enhancement
Project Type	Customer Service
Risk adjusted Discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$2,000,000
Business Unit (BU)	Airfield
Effect on business performance	NOI after depreciation will increase
IRR/NPV	N/A
CPE Impact	CPE will increase by \$.01 but no change to business plan forecast as this project was included

Lifecycle Cost and Savings:

This equipment will have an estimated working life of 20 years based on the annual usage associated with snow and ice control efforts here at the Airport. Annual operations and maintenance costs will increase in the fleet maintenance area due to having maintenance and repair responsibility associated with four (4) additional specialized pieces of snow-removal equipment. The annual operations and maintenance cost increase is estimated at \$13,170 with a 3% annual escalation.

ENVIRONMENT AND SUSTAINABILITY:

Equipment purchased will meet U.S. Environmental Protection Agency fuel efficiency standards.

STRATEGIC OBJECTIVES:

This project supports the Port-wide strategic objectives of Ensuring Airport and Seaport Vitality by providing equipment to keep the Airport operational during winter snow events.

BUSINESS PLAN OBJECTIVES:

The primary business plan objective supported by this request is to operate a world-class international airport by “ensuring safe and secure operations”. It will also improve customer service and reduce airline operating costs by avoiding delay costs.

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ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1) Continue with the current plan: The Sea-Tac Snow and Ice Control Plan, as contained in the Airport Certification Manual, indicates that Runway 16C-34C, Runway 16L-34L and associated entrance and exit taxiways at the arrival/departure thresholds receive the highest priority snow removal. High speed taxiways serving those surfaces are the next highest priority for removal, followed by secondary taxiways, ramp areas, and aircraft parking gates. The current plan has Runway 16R-34L as a low priority removal surface. This is not the recommended alternative.

Alternative 2) East and West Team Concept: This alternative would result in having two runways open simultaneously about 50% of the time and one runway open the other 50% of the time. This is not the recommended alternative.

Alternative 3) One Team-One Pass Runway Removal Concept: This concept would deploy sufficient equipment to remove snow from a runway in a one pass movement on the surface. An additional taxiway removal team would be needed to work the confined areas related to taxiway snow removal. The assumption is that this level of resources would result in the ability to maintain two open runway surfaces at all times. The operational complexities and additional safety risks associated with this option were determined to be higher than the dedicated two removal teams. This is not the recommended alternative.

Alternative 4) Same as alternative 2; however, the West Team will focus on 16R-34L and have enough equipment to accomplish snow removal on the west runway in a one pass operation taking 20 minutes or less. This effort will require the purchase of four (4) additional pieces of runway snow removal equipment. The estimated cost for the additional pieces of runway snow removal equipment is estimated at \$2 million dollars. This is the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None

PREVIOUS COMMISSION ACTION:

On June 28, 2007, the Commission authorized the acquisition of five pieces of snow removal equipment for the Airport to meet the operational and regulatory requirements associated with the new third runway and its support taxiways for a total authorization of \$1,900,000. This equipment is still in use.