

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

**COMMISSION AGENDA**  
**STAFF BRIEFING**

|                        |                     |
|------------------------|---------------------|
| <b>Item No.</b>        | <u>7a</u>           |
| <b>Date of Meeting</b> | <u>May 26, 2015</u> |

**DATE:** May 18, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Mark Reis, Managing Director Aviation Division  
**SUBJECT:** Airport Taxi Service and Transportation Network Companies Briefing

**SYNOPSIS**

Given the upcoming expiration of the contract with Puget Sound Dispatch on October 31, 2015, Port staff has been planning for the release of a Request for Proposal (RFP) for a successor contract for taxi services at the Airport. However, the introduction of Transportation Network Companies (TNCs) into the airport ground transportation market could potentially influence the demand for on-demand services as the TNCs grow in familiarity and availability nationally. It is difficult to project the market penetration for these services at Sea-Tac Airport and what impact it might have on incumbent or future ground transportation operators.

In order for staff to assess the impact of TNCs, and to make those impacts known to all firms interested in bidding on the on-demand taxi contract, Port staff is recommending a one-year delay in the release of the RFP for on-demand taxi service and a corresponding one-year extension to the contract with Puget Sound Dispatch. Staff will finalize an operating agreement for TNC operations, allowing them to pick up passengers at the Airport. Staff plans to return to the Commission in 30-45 days with a specific request for approval of a one-year extension to the contract between the Port and Puget Sound Dispatch.

**BACKGROUND**

In 2009, following a 23-year exclusive contract with Seattle-Tacoma International Taxi Association (STITA), the Port of Seattle competitively bid a contract for on-demand taxi service. Puget Sound Dispatch, dba Yellow Cab, was the successful proposer and is now operating under a five-year period that began on November 1, 2010, and ends October 31, 2015. Puget Sound Dispatch has performed under the terms of the contract, providing consistent, convenient transportation service for customers, a 100% green fleet of 231 vehicles, and a \$3.67 million minimum annual guarantee or 13% of gross revenues - whichever is greater. Required service standards include customer wait times of fewer than five minutes, vehicle maintenance and appearance standards, as well as on-site supervision. On-demand taxi activity was up nearly 10% in 2014 with more than 815,000 total trips from the Airport and has shown additional improvement in the first quarter of 2015.

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Amidst a dynamic market for ground transportation services, in which growth in both on-demand and pre-arranged services is occurring, three TNCs (Uber, Lyft and Sidecar) have requested access to Airport property for the pick-up of passengers. Transportation Network Companies, which are currently authorized by King County and the City of Seattle under Chapter 46.72 of the Revised Code of Washington, provide transportation of passengers for compensation by connecting drivers of personal vehicles to passengers requesting transportation exclusively through use of mobile device application technology.

In addition, For Hire providers have expressed an interest in both (1) operating at the Airport in the near future and (2) being eligible to compete when the Port issues a Request for Proposals for on-demand taxi services.

During the past several months, Port staff has held meetings with representatives of these firms to discuss the various components of agreements to operate at the Airport.

### **ANTICIPATED FUTURE ACTIVITIES**

|                   |  |
|-------------------|--|
| June/July 2015    | Commencement of TNC pick-up operations at the Airport  |
| July 2015         | Request for Commission Authorization for one-year extension to contract with Puget Sound Dispatch                                  |
| September 2015    | Regular publication of ground transportation activity data for all modes of ground transportation services                         |
| Q3 2015 – Q1 2016 | Development of final RFP for taxicabs, including resolution of policy issues (e.g., eligibility for consideration, criteria, etc.) |
| Q1 2016           | Commission briefing on TNC airport activity to date  |
| March 2016        | Outreach to interested taxi proposers  |
| April 2016        | Issuance of taxi RFP for operations beginning 11/1/2016  |
| April 2016        | Outreach pre-conference to interested proposers  |
| July 1, 2016      | Award of taxi contract   |

### **ATTACHMENTS TO THIS BRIEFING**

None

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### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- November 30, 2009 – Briefing on status of RFP for On-Demand Taxi Service at the Airport.
- December 15, 2009 – Authorization to award Puget Sound Dispatch, Inc, dba Yellow Cab Taxicab Association, the contract for On-Demand Taxi Services at the Airport.