

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

**COMMISSION AGENDA**  
**ACTION ITEM**

**Item No.** 4e  
**Date of Meeting** September 8, 2015

**DATE:** August 24, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Dave Soike, Director, Aviation Facilities and Capital Program  
**SUBJECT:** Utility Agreement Grease Pick-up

<b>Amount of This Request:</b>	\$500,000	<b>Source of Funds:</b>	Airport Development Fund
<b>Est. Total Cost:</b>	\$500,000		

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to execute a contract for waste pumping services at Seattle-Tacoma International Airport. The total estimated value of this request is \$500,000 for a three-year contract.

**SYNOPSIS**

The grease interceptors collect grease from the restaurant wastewater prior to entering the airport's sanitary sewer system. Grease interceptor pumping and cleaning is required to prevent grease blockages. Blocked or full grease interceptors and sewage lines would result in sewage overflows into the airport terminal.

- The frequency of servicing will be on an on-call basis. Port staff monitors the grease interceptors and determines when servicing is required.
- Seattle-Tacoma International Airport (Airport) utilizes 16 grease interceptors with a combined capacity of approximately 430,000 gallons.

**BACKGROUND**

This work has been historically performed utilizing the Washington State Department of Enterprise Services contract for Waste Pumping Services. Funding for this work is included in the annual utilities expense budget as approved by Port Commission. Annual expenses are less than \$150,000 a year. The Airport currently utilizes the Washington State Department of Enterprise Services (DES) contract number 07612 - Waste Pumping Services. The Port intends to issue a competitive procurement to test the market and make certain the Port is attaining fair and reasonable prices.

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### **PROJECT JUSTIFICATION AND DETAILS**

Grease Interceptor pumping and cleaning is required to prevent grease blockages. Blocked or full grease interceptors and sewage lines would result in sewage overflows into the airport terminal.

#### ***Scope of Work***

Sea-Tac Airport utilizes 16 Grease Interceptors with a combined capacity of approximately 430,000 gallons. These grease interceptors are serviced on an on-call basis. After pumping the interceptors are pressure washed.

#### ***Schedule***

The grease interceptors are serviced on an on-call basis.

### **FINANCIAL IMPLICATIONS**

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

The cost of grease interceptor pumping is included in the annual operating budget. As such, the funding source is the Airport Development Fund.

### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1)** Develop In-house grease pumping capabilities. Purchase the necessary pumping equipment, hire, and train staff to service grease traps in-house. Training and start-up costs are not included in the estimate below. This work would be infrequent for Port Staff (less than one 4 hr service call per week), so the Port would likely not have the efficiency or economies of scale of a firm that specializes in this work. The estimate below does not include these inherent inefficiencies and start-up costs.

#### **Cost Estimate:**

Amortized annual asset cost (\$250,000 capital costs, Vactor Truck)	\$34,000
Annual maintenance on Vactor Truck (estimated)	\$15,000
Waste Disposal Fees (429,000 gallons per year at \$0.27/gal)	\$115,830
Labor (46 service calls per year @ 4 hours/call @ \$100.00/hr)	
<i>This is an on-call service. Actual annual hours may vary.</i>	\$18,400
Total annual estimated cost	<u>\$183,230</u>

#### **Pros:**

- Develop In-house capabilities

#### **Cons:**

- Higher Cost

**This is not the recommended alternative.**

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**Alternative 2)** – Contract out for grease interceptor pumping and cleaning services to ensure lowest possible pricing. Contract duration is three years.

### Cost Estimate:

Waste Disposal Fees (429,000 gallons per year at \$0.27/gal)	\$115,830
Labor (46 service calls per year @ 4 hours/call @ \$127.50/hr)	\$23,460
Total annual estimated cost	<u>\$139,290</u>

### Pros:

- Lowest cost.
- Ability to use on-call contractor, hours can be adjusted to meet the need.

### Cons:

- None.

This is the Recommended Alternative

## **ATTACHMENTS TO THIS REQUEST**

- None.

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- None.