

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

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

**Item No.** 4e  
**Date of Meeting** November 10, 2015

**DATE:** November 3, 2015  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Stuart Mathews, General Manager Aviation Maintenance  
Brendalynn Taulelei, Sr. Maintenance Manager, Asset Management & Logistics  
**SUBJECT:** Authorization to Execute Snow Removal Contract

<b>Amount of This Request:</b>	\$1,100,000	<b>Source of Funds:</b>	Aviation Operating Budget
<b>Est. Total Project Cost:</b>	\$1,100,000		

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to execute a contract to provide snow removal services for the Air Operations Areas (AOA). The contract will be structured as a one-year agreement with up to four years of additional service to be determined annually by the Port. The total estimated cost of the contract is \$1,100,000.

**SYNOPSIS**

Snow removal at the Airport is accomplished by Port personnel with Port-owned equipment and is augmented by contracted labor and equipment for snow events that exceed the capacity of the Port's Airport resources.

The estimated total contract cost is \$1,100,000 with anticipated average annual costs to be in the range of \$150,000 to \$200,000 not including tax. Depending on the severity of the winter snow conditions, there may be some years where the annual estimates will be above the average range; however, the total contract amount of \$1,100,000 will not be exceeded. The contract will be structured as a one-year agreement with four annual renewal options to be exercised at the Port's discretion.

**BACKGROUND**

During winter weather conditions, the Port is responsible for the removal of snow and ice from runways, taxiways, and specified Airport roadways and parking facilities. The Port executed competitive procurements for snow removal services for the AOA both in 2009 and in 2012. In these past time periods, snow removal expenditures averaged \$133,290 per year with a peak expenditure of \$298,925 during the January 2012 snow and ice storm.

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In recent years, contract expenditures have been drastically lower due to multiple years of El Niño conditions. The estimated contract value is based on an annual average cost of \$200,000 plus tax over a period of five years. State and local taxes are included in total contract amount of \$1,100,000.

### **PROJECT JUSTIFICATION AND DETAILS**

Snow removal is required at Seattle-Tacoma International Airport to sustain commercial airline operations, passenger movements, and air cargo operations, during snow and ice conditions. Current Port staff and equipment are not sufficient to accomplish all of the snow removal requirements during extreme winter snow and ice storms.

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

- Ensure the safe movement of aircraft, employees and the traveling public, in and out of Seattle-Tacoma International Airport during snow and ice weather conditions.
- Maintain the continuity of business operations on the AOA, landside roadways, and parking areas.
- Maintain the continuity of aircraft cargo business operations.

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

A snow removal contractor will augment the Port's capability to perform snow removal on both the secure and public sides of the Airport; including the AOA. This work is seasonal and typically starts in November and may continue into April of the following year.

The contractor will provide heavy construction equipment and equipment operators to manage peak snow and ice accumulations. The equipment will include dump trucks, front loaders, graders, excavators, bulldozers, power brooms, and other support vehicles. The contractor shall serve in an 'on-call' role and will be deployed as directed by the Airport's Snow Command Center (SCC) during snow removal operations. There is no service fee for the contractor to be 'on-call', however, the Port does reimburse for costs incurred for badging and training of the contractor's supervisors. This cost will occur even if snow removal services are not necessary.

#### ***Schedule***

The proposed contracts should be executed no later than November 30, 2015, in preparation for upcoming winter season.

### **FINANCIAL IMPLICATIONS**

The total contract is estimated at \$1,100,000 (2015-2020). We anticipate average costs per year to be in the range \$150,000 to \$200,000 not including tax. State and local taxes are included in

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the total contract amount. Each year the anticipated cost will be included in the operating budget. The funding source will be the Airport Development Fund.

### **STRATEGIES AND OBJECTIVES**

Ensuring the Airport remains operational during adverse winter weather conditions directly supports the Port's Century Agenda objectives of *meeting the region's air transportation needs at Sea-Tac Airport for the next 25 years* and to *make Sea-Tac Airport the West Coast "Gateway of Choice" for international travelers.*

Reliable access to and from this vital transportation hub during extreme snow and ice conditions is essential for business and commercial travelers, employees, and the region's trade and commerce. Without supplemental contracted snow removal capabilities, aircraft operations could be discontinued for extended periods resulting in significant economic impacts to the Port's Airport tenants, Airline partners, the traveling public and the region's commerce.

### **TRIPLE BOTTOM LINE**

#### ***Economic Development***

Keeping the Airport operational during adverse weather conditions provides significant economic benefits to the Port, its customers, business partners and the region. The supplemental resources gained through this contract will enhance the Port's ability to successfully meet the needs of the region and Airport customers.

#### ***Environmental Responsibility***

The snow that is removed from the AOA and roadways is contained and controlled in snow melt dump sites. Coordination with the Port's environmental staff ensures compliance with all environmental requirements. With the snow containing deicing chemicals, careful measures are taken to keep the snow within the Industrial Waste Treatment System or other controlled storage/melt sites.

#### ***Community Benefits***

In addition to keeping the Airport operational for the traveling public, airline partners and cargo activities, this contract opportunity also encourages the use of small, disadvantaged, minority-owned and women-owned businesses within the community. The contract manager will coordinate with the Office of Social Responsibility to maximize small business utilization in support of the Port's Century Agenda strategy to "use our influence as an institution to promote small business growth and workforce development."

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### **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1)** – Increase Port resources with temporary staff and equipment to meet peak snow and ice conditions. This is not the recommended alternative.

Cost Estimate: \$5.22 million

#### **Pros:**

- Adding POS temporary staff and equipment will increase the available resource pool for extended shift rotations during lengthy snow events at the Airport.
- The additional staff can be deployed to support other Airport operational areas (i.e. terminal crowd control).

#### **Cons:**

- Additional temporary staff will require compensation and benefits which will result in increased costs to the Port. Estimated costs for additional staff to work a typical 5-week snow period can amount to approximately \$715,000 in wages over a five year period.
- New heavy equipment will need to be purchased to add to existing Port fleet of heavy equipment; the snow removal contractor is required to provide a minimum of 13 heavy equipment and operators as part of the contract. The heavy equipment identified includes 3 motor graders, 3 wheel loaders, 4 dump trucks, 1 fuel truck and 2 trucks for supervisors. The estimated capital cost to purchase this heavy equipment is approximately \$3.61 million dollars.
- Ongoing maintenance costs for all equipment listed is an additional \$487,500 over the five year period.
- Due to the additional new equipment, 1 Full Time Equivalent (FTE) auto mechanic is required to maintain the new equipment. Wage and benefit costs for 1 FTE over the five year period amounts to \$399,880.
- Overtime costs will increase with the new additional staff during long snow removal operational periods.
- The additional temporary staff will increase the Port's overall employee headcount.

**Alternative 2)** – Rely on existing Port staff with the understanding that we cannot keep up during peak snow and ice conditions and invest in additional heavy equipment to add to the snow fleet. This is not the recommended alternative.

Cost Estimate: \$4.01 million

#### **Pros:**

- Current Airport operations and facility staff have experience and familiarity with snow removal operations, therefore the training period will be shorter.

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### **Cons:**

- Using existing staff and equipment will limit the Port's ability to keep all areas of the Airport operational during adverse weather conditions.
- Additional airport maintenance staff can be repurposed to assist with snow removal however this option will degrade the level of support for airport terminal services and customers.
- Not all airport staff are Heavy Equipment trained. A CDL license is required for all personnel who operate heavy equipment.
- An investment of \$3.61 million dollars is required to add heavy equipment to the snow fleet. The current fleet will be at capacity and dedicated to snow removal efforts on the AOA runway and taxiways. The current snow fleet is not sufficient to handle the additional workload of hauling snow off to the designated snow dump sites.
- With the additional new heavy equipment, 1 Full Time Equivalent (FTE) auto mechanic is required to maintain the new equipment. Wage and benefit costs for 1 FTE auto mechanic over the five year period amounts to \$399,880.
- Work shift periods during snow operations may be extended; however, with limited staff availability it will be challenging to retain resources for longer shift periods.
- Customer service to Airport customers will suffer as existing staff will be focused on snow removal on the AOA.
- It may be challenging for staff to get to the airport due to snow and ice in their own residential areas.
- There will be slow responses to address airport facility system failures due to staffing limitations and priority snow removal.
- During extreme snow events, existing Port staff and equipment will not be able to keep up with snow and ice conditions which may ultimately lead to an airport closure.

**Alternative 3)** – Authorize the Chief Executive Officer to execute a new contract for supplemental snow removal services at the Airport. **This is the recommended alternative.**

Cost Estimate: \$1.1 million

### **Pros:**

- With contracted snow removal services in place, existing Port staff can focus on deicing efforts on the AOA during peak snow events to ensure the continuity of airport operations.
- Other available Port staff will be on-hand to address any facility system issues and customer service operations in the terminal (i.e. crowd control).
- Advertising a snow removal service contract as a procurement opportunity supports the Port's Century Agenda strategy to "use our influence as an institution to promote small business growth and workforce development".

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- The contractor will be responsible for the hiring of operators and for securing the heavy construction equipment required for snow removal.
- The Port retains the ability to direct the activities of the snow removal contractor.
- No additional hiring of additional staff is required therefore salary and benefit considerations are avoided.
- No purchase of new heavy equipment is necessary therefore saving the Port an investment of \$3.61 million to add to the existing snow fleet.

### **Cons:**

- The total estimated cost of the contract(s) would be \$1,100,000.

## **ATTACHMENTS TO THIS REQUEST**

- None

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- August 7, 2012 – the Commission authorized the Chief Executive Offer to execute an area-specific contract to provide snow removal services for the Airport Operations Area. The contract was structured as one-year agreements with up to four years of additional services to be determined annually by the Port.