



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting January 30, 2018

DATE: January 22, 2018

TO: Dave Soike, Interim Executive Director

FROM: Michael Ehl, Director Aviation Operations
Jeffrey Hoebet, Senior Manager Airport Operations

SUBJECT: Seattle-Tacoma International Airport – Light Rail Electric Cart Service

Amount of this request: \$2,000,000

Total estimated project cost: \$2,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract to support electric cart service between the Airport’s main terminal and Sound Transit’s Link Light Rail Airport Station. This proposal authorizes an estimated \$2,000,000 for a 2-year agreement with options for three 1-year extensions.

EXECUTIVE SUMMARY

The airport has offered electric cart transportation between the main terminal and Sound Transit’s Airport Station since February 2017. To date, the system has transported more than 300,000 customers and has delighted passengers with an amenity that makes it easier to access the airport and public transportation. The electric cart service generally runs 5:00 a.m. to midnight each day of the week, and supports easy access to and from the airport. We anticipate continued support of this service with an agreement that will provide a level of service consistent with our commitment to make access easier for passengers.

JUSTIFICATION

More than 300,000 customers have been transported on Port-provided electric carts since we initiated the service in February 2017. Given the public feedback, and perception of a long walk from the Airport Station, electric cart service has been a welcome addition to an accessible facility. The walkway connecting the Airport’s main terminal and Sound Transit’s Airport Station has been improved with windbreaks and epoxy surfaces. In making the walkway more attractive, the electric cart service provides additional improvement to customer access with vehicles that transport people and baggage. With service available for the majority of the day, electric carts provide a valuable service to the traveling public.

Meeting Date: January 30, 2018

DETAILS

Given the desire to provide additional services to support customer demand, the Port of Seattle has contracted with a third-party vendor to supply and staff the electric cart service. As the initial effort has been successful, we’re seeking a new contract that will continue to offer a similar level of service and demonstrate our commitment to supporting customers who utilize Link Light Rail as a mode of transportation to and from the airport.

Scope of Work

Vendor agreement will support a minimum of two electric carts and dedicated staffing to provide safe, reliable transportation to and from the Airport Station (Link Light Rail). Carts will be available for service as assigned between the hours of 5:00 a.m. to midnight daily with seasonal adjustments as directed by staff.

Core contractual elements

- (1) Dedicated electric carts
- (2) Trained staff
- (3) Safe, reliable transportation

Schedule

Activity

Commission authorization	2018 Quarter 1
Request for proposal	2018 Quarter 1
Contract award	2018 Quarter 1
Service commencement	2018 Quarter 1

Cost Breakdown

	This Request	Total Project
Anticipated 5-year agreement	\$2,000,000	\$2,000,000
Total	\$2,000,000	\$2,000,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Eliminate electric cart service

Cost Implications: Eliminate an estimated \$400,000 annual expense

Pros:

- (1) Cost savings
- (2) Relies on existing wheelchair contract to support customer access

Cons:

- (1) Eliminates a popular option
- (2) Relies on single provider for timely transportation

This is not the recommended alternative.

Meeting Date: January 30, 2018

Alternative 2 – Offer an agreement to support electric cart service for limited hours of each day

Cost Implications: Anticipate expense at \$240,000 per year

Pros:

- (1) Continue to offer service to customers
- (2) Supports transportation during peak daily hours

Cons:

- (1) Inconsistent service to customers
- (2) Difficult to anticipate customer arrival and departure times

This is not the recommended alternative.

Alternative 3 – Offer a 5-year agreement to support customer transportation with electric carts and trained staff

Cost Implications: \$400,000 per year (5-year agreement at \$2,000,000)

Pros:

- (1) Consistent service to customers during an operational day
- (2) Accessible transportation option for customers utilizing public transportation

Cons:

- (1) Conflicts with pedestrians on walkway

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

Airport Operations has budgeted for \$336,000 in the 2018 Operating Budget. Additional budget will be planned in future years. The funding source will be the Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	\$2,000,000
Business Unit (BU)	Aviation Operations – Landside
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease by the amount of the annual expenditure.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

Expenses are anticipated to be \$400,000 per year over a 5-year period.

COMMISSION AGENDA – Action Item No. 8c

Meeting Date: January 30, 2018

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None