



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8c

**ACTION ITEM**

**Date of Meeting** February 27, 2018

**DATE:** February 27, 2018

**TO:** Stephen Metruck, Executive Director

**FROM:** Stuart Mathews, Director, Aviation Maintenance  
Skip Himes, Director, Maritime Maintenance

**SUBJECT:** Maintenance and repair for Escalators, Elevators, and moving walks at Sea-Tac Airport and Maritime facilities.

**Amount of this request:** Contracting authority of \$23 million

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a maintenance contract for elevator and escalator services at Sea-Tac Airport and Maritime locations for up to five years with a competitively bid Port contract. The total cost for five years is estimated to be \$23 million.

**EXECUTIVE SUMMARY**

The purpose of this request is to provide services that will enhance or maintain the customer service at both Maritime and Airport facilities. The airport currently contracts all regular maintenance and ordinary repair of 81 escalators, 86 elevators, and 6 moving walkways. Maritime has a separate contract to cover maintenance on 24 elevators and 3 escalators. The contractor is required to be readily available for immediate response to issues such as power bumps, emergency shut downs, safety faults, and fall related repairs. The contractor also ensures compliance with all sections of the State of Washington Labor and Industries (L&I) elevator code. Part of this requirement is regular interval inspections (monthly/ annual), preventive maintenance, and associated repairs.

This request is to combine all maintenance and ordinary repair work, for vertical circulation at the majority of Port properties into a single contract. The proposed duration of this contract is two years, with the options for up to three one-year extensions.

**JUSTIFICATION**

This contract authorization will allow the Airport and Maritime facilities to meet customer needs efficiently throughout its term. It directly supports the Port's century agenda item of Meeting the region's air transportation needs at Sea-Tac Airport while expanding that objective

Meeting Date: February 27, 2018

to include our Maritime partners as well as align with our “One Port” approach. One method by which the Airport tracks customer service performance is by using the Airport Council International’s Airport Service Quality benchmarking program. Facility maintenance is a key component to providing good customer service, and meeting the Airport Service Quality (ASQ) targets set in the 2018 Aviation Division Priorities.

**DETAILS**

On July 1, 2014, the Port Commission authorized a contract with the current contractor (Schindler) which expires June 30, 2019 for maintenance and repairs of elevators, escalators and moving walks at the Airport. The current commission authorization allows a total cost not to exceed \$15 million for maintenance and repairs during the life of the contract. Due to higher than anticipated repair costs throughout the past 4 years the maximum funding limit will be reached in June of 2018. In addition, the Maritime division has expended slightly greater than \$700,000 from 2014 through 2017 on elevator and escalator maintenance and repairs. Our objective is to competitively bid the escalator and elevator maintenance and repair contract for services for the next 5 years for an estimated cost of \$23 million combined, including the aviation and maritime divisions. Planned maintenance for all existing equipment, as well as equipment currently forecast to go into service during the 5 year period is estimated at a total of approximately \$18 million. The balance of the contracting capacity is intended to be utilized for repairs, after-hours service support and holiday services, and addressing changes to code requirements as directed by L&I.

This competitive bid process will initially provide maintenance and repair for the airport’s 86 elevators, 81 escalators, 6 moving walkways, and Maritime’s 24 elevators and 3 escalators. In addition this request incorporates new units scheduled to come online in 2019 through the International Arrival Facility (IAF) and NorthSTAR programs. These projects will add 1 moving walkway, 24 elevators, and 15 escalators to the scope of work. This request excludes the airport Rental Car Facility (RCF), Terminal 91 Cruise Terminal, and the World Trade Center (WTC). Separate facility management contractors manage all three of these facilities which includes elevator and escalator maintenance and repair.

Elevator, escalator, and moving walk maintenance and repairs require the services of specifically trained and licensed technicians. Historically, according to local and national standards, that work has been performed by a maintenance contractor specializing in this type of work. Elevator and escalator maintenance and repair technicians are licensed by the State of Washington and fall under the jurisdiction of L&I.

The selected contractor will be required to partner with state or local inspectors on a regular and ongoing basis to ensure code compliance for all units. In addition the state code requires inspections anytime a person is injured on or in a unit and subsequently seeks medical attention. The contractor will need to meet each inspector at the unit for a detailed evaluation of the unit. Units may not be returned to service until the inspector has completed his

Meeting Date: February 27, 2018

inspection and any discrepancies are repaired. This work represents a significant portion of the overall scope of the selected contractor.

***Scope of Work***

The scope of work encompasses maintenance and repair services on vertical circulation defined as elevators, escalators, and moving walks at Sea-Tac Airport and Maritime managed facilities. The bid will include a monthly/ annual cost for all maintenance services for this equipment to operate within code requirements as outlined by State of Washington L&I Elevator Section. In addition the contractor will provide hourly wages for ordinary repair work outside of regular maintenance scope or damage caused by customers.

***Schedule***

The current contract expires in June of 2019. We intend to secure a contractor through the competitive bid process no later than June of 2018.

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**1. Fund final year of existing contract**

Request commission authorization to fund the final year of the current contract executed on July 1, 2014.

Cost Estimate: 3.5 million

Pros:

- Continuing the current contract meets airport needs and avoids potential logistical/transition issues if a new vendor is selected.
- Cost for remaining year is fixed and is not at risk to rise due to current market conditions.

Cons:

- The current contract does not include a plan for integration of new equipment.
- There is no opportunity within the contract to integrate Maritime equipment in scope.
- There is no opportunity to incorporate small business with this contract.

This is not the recommended alternative

**2. Rebid contract for the airport only**

Meeting Date: February 27, 2018

Request commission authorization to advertise, award, and execute a contract for airport equipment only

Cost Estimate: \$4 million per year. We recommend a 2 year term with at least 3 / 1 year extensions. Total cost no less than \$20 million.

Pros:

- The selected contractor can focus solely on airport equipment maintenance and repairs.

Cons:

- Maritime Maintenance would need to advertise, award, and execute a separate contract for maintenance and repairs.
- There is a potential loss of some economy of scale by not including the Maritime units.
- This alternative provides no opportunity to integrate Maritime equipment and support our “one Port” philosophy.
- Costs may rise and/or decrease depending on bidders approach to the work and current market conditions.

This is not the recommended alternative

**3. Rebid contract Port wide- Description**

Request commission authorization to advertise, award, and execute a contract for Maritime and Airport elevator and escalator maintenance and repair.

Cost Estimate: \$22.3 million over 5 years

Pros:

- This recommendation allows for one executed contract for Maritime and Airport elevator, escalator and moving walk maintenance and repairs for equipment that is the responsibility of Port staff. It allows the Port to deliver consistent and reliable maintenance and repairs to the vast majority of Port owned equipment. This alternative is directly aligned with the “one port” philosophy.
- The combining of the vast majority of Airport and Maritime elevator, escalator and moving walk assets under one contract provides the greatest opportunity for economy of scale for this scope of work.
- Competitively bidding this scope of work allows for the opportunity to include a small, disadvantaged, minority or women owned business component to the bid.

Cons:

Meeting Date: February 27, 2018

- Costs may rise and/or decrease depending on bidders approach to the work and current market conditions. The actual cost of this alternative is of risk for variation.
- In this alternative revised service levels for some facilities may cause a price increase for equipment in those facilities due to the resources needed to meet the service level.

**This is the recommended alternative**

***Annual Budget Status and Source of Funds***

The annual elevator and escalator maintenance and repair expenses associated with this contract will be included in annual operating budgets. For 2018, the Aviation Maintenance department's operating budget includes \$3.5 million. Approximately 77% of this annual cost is recovered through terminal rents paid by airlines.

***Future Revenues and Expenses (Total cost of ownership)***

By combining airport and maritime contracts into one, the Port anticipates reducing the total cost of this service.

**ATTACHMENTS TO THIS REQUEST**

None

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None