Port of Seattle

COMMISSION
AGENDA MEMORANDUM   **Item No.**   8c

ACTION ITEM   **Date of Meeting**   May 22, 2018

DATE: May 14, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Michael Ehl, Director Aviation Operations
               Daniel Zenk, Senior Manager Airport Operations

SUBJECT: Contract for Customer Service Staffing at Seattle-Tacoma International Airport

Amount of this request: $2,740,000
Total estimated project cost: $2,740,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise and execute a contract for up to three (3) years, a one-year base contract with two (2) one-year options of seasonal customer service staffing at Seattle-Tacoma International Airport for an estimated contract value of $2,740,000.

EXECUTIVE SUMMARY

Seattle-Tacoma International Airport (SEA) is seeking a contract to provide seasonal customer service staff in specific areas of the airport facility to address the growth and to maintain the passenger level of service for travelers. The increase in passenger traffic has added pressure to an already constrained facility and pressure on staff to properly provide customer service to passengers needing to find their way through the airport during peak hours.

JUSTIFICATION

Staff has identified a need to supplement and improve customer service in the public areas of the airport, which include the skybridge entrances and the main passenger terminal. During peak hours these areas have high passenger congestion with insufficient assistance to help navigate their way through the airport passenger process and facility. It is the intent to add seasonal contract customer service staff to assist passengers with navigating their way during the busiest time of day, specifically in areas of the:
- Vehicle parking garage entrance
- Cell phone parking lot
- North employee parking lot
- 3rd floor parking garage at the TNC pickup and Ground Transportation Plaza
- 4th floor at the skybridge entrance
- Airport information booths
- Baggage claim
- Security Checkpoints

The flexibility provided by seasonal contract customer service staff would allow the Port not only to handle peak hour surges but also support passengers that require early morning and late evening assistance.

It is necessary to authorize and execute a contract expeditiously in order to enable hiring and training so that the added contract staff can be deployed before an increase with the peak travel season. The cost for this contract is not included in the 2018 approved budget. Staff will strive to absorb as much as possible within the existing budget and will provide an updated report with Q3 2018 results.

The primary purpose of this request is to improve customer service throughout airport facilities. Furthermore, per our Century Agenda this advances the region as a leading tourism and business gateway into the West Coast "Gateway of Choice" by providing a seamless process through the airport facility.

Scope of Work

Provide customer assistance throughout the airport facility, specifically at the skybridge entrances and in the main terminal. The contactor will assist with passengers by ensuring customers are in the correct place and ensuring service tools are available. A contract for supplemental staffing would translate to approximately 25 additional full-time-equivalent employees per day, and is based on ballpark assumptions of current Port of Seattle customer service employee wages. The contract will not go beyond three years; provided however, should the cost of services exceed the authorized amount, the Port may seek Commission authorization to increase the contract value.

TERMINAL

The estimated daily hours of service/operation will require contractor flexibility and is expected to be as follows:
- Checkpoint Number 2,3,5 - 0500 hours through 1300 hours daily
- Information Booth – 0800 hours through 1600 hours daily
- Baggage Claim – 0800 hours through 1600 hours daily

The estimated daily staffing per shift will require contractor flexibility and is expected to be as follows:
- Checkpoint Number 2,3,5 – Queue Master – 6
- Information Booth – 1
- Baggage Claim – 2

LANDSIDE

The estimated daily hours of service/operation will require contractor flexibility and is expected to be as follows:
- Cell Phone Lot - 0930 hours through 1130 hours daily
- 3rd Floor Garage: TNC Pick-up – 0800 hours through 1200 hours daily

- 3rd Floor Garage: GT Plaza 0800 hours through 1200 hours daily
- 4th Floor Garage: Skybridges – 1200 hours through 2300 hours daily
- Garage Entrance: North entry – 0500 hours through 2100 hours daily
- North Employee Parking Lot – 12 noon through 1400 hours daily
- North Tunnel Stop – 1300 hours through 1530 hours daily

The estimated daily staffing per shift will require contractor flexibility and is expected to be as follows:

- Cell Phone Lot – 1
- North Employee Parking Lot/North Tunnel Stop - 6
- 3rd Floor Garage: TNC Pick-up - 2
- 3rd Floor Garage: GT Plaza - 1
- 4th Floor Garage: Skybridges - 2

Schedule

The Port is in the process of developing a Request for Proposal advertisement with an expected start of contract service date of August 1, 2018. In order to meet August 1, 2018 service date, the contractor will need to retain, train, and onboard the service provider.

Estimated Dates

Advertise Solicitation	May 24, 2018
Proposals Due	June 21, 2018
Port Execute Agreement	July 26, 2018

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Allow customers to navigate their own way through the airport process without additional assistance.

Cost Implications: Zero cost for Port. The passenger loss of a level of service established by the Port of Seattle and select alternative travel. The Port, TSA, and airlines all lose credibility in the eyes of the missed customer and even those passengers who find long lines unacceptable.

Pros:
(1)   Does not require expending approximately $2.74 million.

Cons:
(1)   This alternative continues extremely long lines, confusion, and customer dissatisfaction.
(2)   Fire code and life safety can become an issue as the lines grow.
(3)   Large number of passengers may miss their flights while waiting in lines and/or may be unable to navigate airport facilities.

This is not the recommended alternative.

Alternative 2 – Use existing Port of Seattle staff.

Cost Implications: Estimated cost of additional 8 hours per person, per day of overtime for existing staff. The expectation is to add approximately 380 daily work hours in 10 different areas of demand. This expectation is not sustainable.

> Pros:
> (1)   Provides valuable customer assistance to help process passengers through the airport as efficiently as possible.
>
> Cons:
> (1)   There are not currently enough Port employees to do this work.
> (2)   Excessive overtime hours would be required.

This is not the recommended alternative.

Alternative 3 – Hire a contractor that has employees who are trained and fully covered by the contractor.

Cost Implications: $2.74 million.

> Pros:
> (1)   Provides valuable customer assistance to help process passengers through the airport as efficiently as possible.
> (2)   Provides a flexible staffing model conducive to seasonal fluctuations.
> (3)   Utilizing a contractor that meets customer service standards is the preferred plan.
> (4)   Job creation for community.
>
> Cons:
> (1)   Requires spending $2.74 million of Port funds.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Budget Status and Source of Funds

The cost of this contract was not included in the 2018 operating budget. The airport will strive to absorb these costs through cost savings in other areas. The terminal related costs will be included in the airline rate base and recovered through terminal rents, thereby increasing passenger airline cost per enplaned passenger (CPE). The Landside costs will result in lower net operating income. The funding source will be the Airport Development Fund.

ATTACHMENTS TO THIS REQUEST

    None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

    None