



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6e

ACTION ITEM

Date of Meeting November 13, 2018

DATE: November 5, 2018

TO: Stephen P. Metruck, Executive Director

FROM: Michael Ehl, Director Aviation Operations
Mark Coates, Senior Manager Airport Operations

SUBJECT: Unified Pest Management (UPM) Contract Increase

Amount of this request: \$5,550,000

Total estimated project cost: \$5,550,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to: (1) increase the value of the current Unified Pest Management contract at Seattle-Tacoma International Airport by \$550,000 to continue current services from January 2019 through June 2019; (2) competitively bid and execute a new 5-year follow-on contract (commencing on or about July 1, 2019, and continuing through June 30, 2024) for a base year and additional four 1-year options for an estimated amount of \$5,000,000.

EXECUTIVE SUMMARY

Because of the number of people using the facility and the provision of food service through the Airport Dining and Retail program, pest control at the Airport is a priority. The Port-operated UPM program is designed to centralize pest reporting and coordinate an appropriate control response that addresses the rodent sightings in restaurants and the terminal, focusing on the cause of rodents rather than just their presence. The pest control program at the Airport has grown substantially since the contract was awarded in 2016. In 2017, there were 231 safety calls related to pests. In 2018 to date we have reached 745 calls. This request will provide the necessary funds to support the current program. Continuity of services is vital for protecting passenger and employee health and safety.

Funding for the original \$1.2 million contract will be expended shortly after the first of the year, two years earlier than anticipated. The increased rate of spending is due to new 24/7 coverage and use of new pest control technology. UPM is spending approximately \$73,000 more a month than originally budgeted (\$20,000). The total requested amount is \$5,550,000 for: 1) the increase to the existing contract, \$550,000; and 2) for funds related to the follow-on contract; \$4.8 million plus \$200,000 contingency fund. We anticipate needing the same level of service for 2019 and 2020 to regain control of rodent populations. By 2021, control efforts will have

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been effective long enough to prevent a rebound effect by the high reproduction rate. At this time the budget would decrease by 20 percent and be subject to contractual increases in 2022 and 2023.

We expect that a new RFP will be advertised in spring and awarded in June to begin services in July 2019. We project that as pest numbers are driven down, UPM will transition to more preventive measures compared to the mostly reactive current measures. UPM effectiveness will be re-evaluated at this time based on the increased passenger volumes, increased square footage, and compliance of higher sanitation standards.

JUSTIFICATION

Increased passenger volume and construction activity at Sea-Tac Airport have driven the need for expanding pest management services to maintain a healthy and safe environment. Construction across the Airport campus, specifically the new International Arrivals Facility, Baggage Optimization, and Central Terminal Projects, likely disturbed established habitat, causing pests to seek new habitat. In addition, the significant increase in passenger traffic through the Airport during the past five years (enplanements up 40 percent since 2013) has led to increased trash and rodents multiplying more rapidly. The currently contracted pest control and technical support efforts were based on lower passenger numbers, fewer trash/sanitation concerns, fewer concessionaires, and lower pest activity. These efforts are now proving insufficient to meet current need.

Port staff, along with a pest management consultant and its contracted pest control service provider, has worked aggressively over the past six months to respond to this issue. The Unified Pest Management Working Group met again to reevaluate and reprioritize Port and tenant responsibilities. Under this Port program the Port provides services to the tenant and airline member spaces on a cost recovery basis. The UPM tariff is also being reevaluated. The primary pest control benefit is UPM addresses the space around the problem area rather than just the space of the tenant that reported the issue even though it may not be the source of the problem. Additional efforts include increasing contractor support to 24/7, new interior baiting strategies, additional trapping efforts, smart technologies and contracting an independent consultant. It is critical that the Port continue this effort to ensure the health and safety of the traveling public and Airport employees. The Port's waste management programs have been updated to minimize pest access to these resources. The Port is also working on a tenant education program so sanitation standards are better defined and enforced. Staff has also recognized that meeting our airport-wide pest management goals requires greater partnership with tenants and the development of new airport-wide sanitation practices. The requested funds will allow efforts already underway to continue through June 2019 when a new contract will be in place.

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DETAILS

Prior to the implementation of the UPM program in 2013, airport tenants contracted their pest control services independently, with little information available to the Port by which to determine the type and magnitude of concerns the tenants faced or what kind of control methods their contractors were using to address them. Today the UPM program has 100% enrollment of all concessionaire and airline tenants. UPM gives the Port the ability to track all pest reports at the airport to better manage the needed actions. UPM is able to work with many airport departments (Airport Dining and Retail, Port Construction Services, Aviation Maintenance) to better remediate pest issues by addressing items that contribute to the problem, such as small openings that need to be sealed off to prevent pest access. Pest issues are reported to UPM through a safety hotline. Call-in data are used to identify problem areas, determine best practices and monitor contractor response times. Consequently, the Port has been successful in tracking and identifying where pest hotspots are and what contributing factors need to be addressed promptly.

In early 2018, it was necessary for the pest contractor to respond to many more emergency call outs rather than the proactive work they had been doing. By May 2018 it became clear that one technician per day could not handle all pest management needs and 24/7 coverage was justified. With a rise in pest complaints/sightings by the public earlier this year and an increase of complaints to King County Public Health and Washington Department of Labor and Industry it was urgent that the contractor increase resources and technologies immediately, raising the cost of the contract well past its original scope and budget.

Rodent numbers are expected to stabilize then decline in the future. The existing level of effort is required to finish driving rodent numbers down, given the tenant sanitation training program is not fully implemented and the new spaces such as the D-Annex, North Star and the International Arrivals Facility will add spaces that will soon need UPM services. The UPM goal is to reach greater than 90 percent eradication to prevent another uptick due to the high reproduction rate of rodents.

UPM Efforts to Date

- Equipped more areas above drop ceilings with additional control methods
- Identified and expanded efforts in interstitial spaces between the ceilings and the roof on B, C, and D Concourses
- Pest contractor and Port Construction Services have been sealing off entry points in spaces to prevent access
- Aviation Maintenance is securing/replacing ceiling tiles
- More intensive sanitation audits in of tenant spaces have begun
- Hired an independent consultant to evaluate the Port's UPM program as well as its pest control contractor
- Provided guidance and training on best practices to reduce opportunities for pests

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Scope of Work

The updated scope of work requires the contractor to provide 24/7 coverage and additional use of technologies to help monitor rodent movements and to more efficiently remove them from the airport. These additional resources will maintain the quick response times to urgent events called into the safety hotline at all hours and will help technicians access the hard-to-reach interstitial spaces above ceilings that are crucial for effective rodent management. When not trapping or responding to callouts, technicians can now use their time sealing off access points, inspecting vendor equipment, and addressing sanitation concerns. These technicians will also monitor new construction sites for pest activity prior to construction and verify that new construction has no access points for rodents.

Schedule

The budget increase for the existing pest control contract will commence upon Commission approval. An RFP for the follow-on contract will be issued on or about March 1, 2019 and awarded no later than June 30, 2019.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not increase the existing contract. The current contract will run out of funds in December 2018. Pest services would end until there was time to get a new contract in place, which could take several months.

Cost Implications: \$0

Pros:

- (1) None.

Cons:

- (1) The current Pest control contract would end, pest numbers would increase and the health and safety of passengers and those working at the airport would be compromised.
- (2) The Port will receive more notices from King County Public Health and Washington Department of Labor and Industries regarding pest-related complaints.

This is not the recommended alternative.

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Alternative 2 – Allow tenants to contract their own pest control to meet increasing rodent numbers. (This has been done before and rodent numbers/pressures could not be tracked or measured.)

Cost Implications: \$0

Pros:

- (1) None.

Cons:

- (1) Pests could compromise the health and safety of passengers.
- (2) The Port will lose oversight of pest issues and the ability to identify root causes and the control methods that independent contractors are using.
- (3) Pest sightings and concerns from tenants and the public will increase thereby jeopardizing the reputation of the airport.

This is not the recommended alternative.

Alternative 3 – 1) Increase the current Unified Pest Management Budget immediately through June 2019; and 2) Competitively bid a 5-year follow-on contract starting July 1, 2019.

Cost Implications: \$5,550,000

Pros:

- (1) Sustains the level of rodent abatement currently in place until we are able to bid a new contract July 2019.
- (2) Airport will maintain oversight of pest control actions taking place with all required data to make the best management decisions in correcting issues.

Cons:

- (1) None.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The annual cost for this contract is included in the operating budget. Under the existing five-year contract of \$1,200,000, the 2018 budget included \$265,000. Based on the increased level of service for 2018, the Port anticipates spending approximately \$700,000. The preliminary 2019 budget anticipates spending \$1,055,000.

ATTACHMENTS TO THIS REQUEST

- (1) Pest contractor existing scope of work

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 8, 2015 – The Commission authorized execution of contract for commercial pest management services at Seattle-Tacoma International Airport’s main terminal, North and South Satellites, parking garage, and several other Port-owned buildings at the Airport. The total estimated cost of the contract(s) is \$1,200,000 for a 5-year contract.