



**COMMISSION
AGENDA MEMORANDUM**

Item No. 10b

ACTION ITEM

Date of Meeting January 26, 2021

DATE: January 21, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Keith Warner, Aviation Utilities Business Manager
Mike Tasker, Facilities and Infrastructure Senior Manager
Eileen Francisco, Interim Director of Facilities & Capital Programs

SUBJECT: Request Authorization to Execute a Service Contract with Stericycle Inc. for Regulated Waste Disposal

Amount of this request: \$700,000

Total estimated project cost: \$700,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract with Stericycle for regulated waste disposal at the Seattle-Tacoma International Airport (SEA) for waste arriving from international flights.

EXECUTIVE SUMMARY

With the exception of Canada, waste from international flights must be processed separately, as this waste can introduce plant pests and diseases. The United States Department of Agriculture regulates international waste. The existing regulated waste disposal services supplier provided notice on Dec 28, 2020 that they are ending that service effective January 28, 2021. Waste regulators identified one entity, Stericycle, that carries the necessary permits in Washington State to provide this service. This request is to contract with Stericycle Inc. to provide the required transportation and disposal of regulated wastes for a 3-year period beginning January 28, 2021 enabling continuity of service.

JUSTIFICATION

Waste materials (food, wrapping, containers, etc.) arriving from international flights are regulated by the U.S. Department of Agriculture (USDA), requiring special handling and disposal. SEA manages a portion of this waste to include those generated by Customs and Border Protection, trash carried off aircraft by international passengers and disposed of within the customs area, and trash removed from international aircraft. Removal of these wastes from airport property every 72 hours is regulatorily required. Permits to transport and dispose of these regulated waste materials are required and issued by the USDA. The Airport is not issued these required permits and therefore relies on suppliers with the necessary equipment and

Meeting Date: January 26, 2021

permits to provide the service. The current service provider has sold their business operations to another party who will not provide these regulated waste management services. Stericycle Inc. has provided a proposal to Airport staff for this service going forward.

Flight kitchens handle the other portion of waste from international aircraft. The flight kitchens must also rapidly move to a new provider to avoid interruption of service. Stericycle has provided similar proposals to the two flight kitchens who are seeking services. It is expected that the flight kitchens will execute their own separate agreements with Stericycle.

Diversity in Contracting

Only one supplier has the required USDA permits to manage this waste within the State of Washington at this time.

DETAILS

Waste material coming from airline cabins from international arriving flights is regulated by the U.S. Department of Agriculture (USDA) due to the potential for viruses or pests. Packaging and tracking of this waste material must be handled and stored in compliance with the regulations and transported off-site within 72 hours. The material must be treated through either a steam autoclave or an incinerator to eliminate the exposure risk.

A large volume of this waste is managed through the flight kitchens servicing the international airlines. The waste materials not managed by the flight kitchens are bagged and collected in locked containers managed by Airport near the South Satellite. Regulated waste is also generated in the customs areas where items confiscated from incoming luggage must be treated as regulated waste. This regulated waste is also collected in the locked containers at South Satellite.

During the period of the 1990's to 2003, the Airport operated a steam autoclave and treated all of the regulated waste generated at the airport. That equipment ceased operation in 2003 when the service model was contracted to Waste Management who transported the waste from two flight kitchens and airport to their treatment facility in South Seattle. This operation has continued until the recent notification by Waste Management that they are ceasing this treatment operation effective Jan 28, 2021.

With this notification, Aviation Facilities and Infrastructure (F & I) embarked on identifying another supplier to perform this service and Stericycle Inc. was the entity noted by the USDA as possessing the required permits to handle this type of waste. F&I along with the two flight kitchens impacted by this change contacted Stericycle who developed a business plan to support this service. A price proposal was submitted January 16th to the Airport and the two flight kitchens. This proposal is the basis for this contract request which includes the collection, storage, transportation and disposal of this waste in accordance with regulatory requirements. The regulated waste material will be picked-up on Airport property and transported to the

Meeting Date: January 26, 2021

nearest permitted treatment facility which is in Brooks, Oregon. A secondary facility was identified as the City of Spokane’s waste incinerator.

Scope of Work

Service provider shall collect, transport, treat and dispose of all USDA, Animal and Plant Health Inspection Service (APHIS) Waste/Foreign & Regulated garbage generated by airport operations. Transportation of waste from airport property will occur at least every 72 hours and disposal will occur at a permitted treatment facility.

Schedule

Execute services by January 28, 2021

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Contract with Stericycle Inc. to provide transportation and disposal of regulated waste generated at the airport.

Cost Implications: \$700,000 for three years

Pros:

- (1) Service is ready to commence on the required date of Jan 28, 2021
- (2) Established service provider with experience in the field
- (3) Leverages similar Stericycle contract with Flying Foods and Sky Chefs to optimize storage, transportation and disposal of regulated wastes.

Cons:

- (1) Narrow time window and lack of permitted suppliers limits competitive bids
- (2) Operational changes and resources required to box the waste material prior to shipment
- (3) Requires a minimum three-year term of service

This is the recommended alternative.

Alternative 2 – Install and operate an autoclave unit on airport property to provide the necessary destruction of regulated waste material.

Cost Implications: \$TBD

Pros:

- (1) Historically a lower cost option than transporting and disposal in Oregon
- (2) Provides more certainty for continued operations than reliance on a supplier
- (3) Reduced life cycle emissions through eliminating long-haul transportation.

Cons:

- (1) Requires approval from the USDA

Meeting Date: January 26, 2021

- (2) Solution would not be operational by January 28, 2021
- (3) Requires additional resources to operate the equipment

This is not the recommended alternative.

FINANCIAL IMPLICATIONS

This will increase the cost from \$60k/yr to \$233K/yr to provide required regulatory services to support international travel.

Annual Budget Status and Source of Funds

These costs are part of the annual Aviation utilities budget.

ATTACHMENTS TO THIS.

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None