



**COMMISSION**  
**AGENDA MEMORANDUM**

**Item No.** 8g

**ACTION ITEM**

**Date of Meeting** November 16 ,2021

**DATE:** October 22, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Julie Collins, Director, Aviation Customer Experience & Brand Strategy  
Dawn Hunter, Director, Aviation Commercial Management  
Stephanie Nelson, Manager, Airport Parking Revenue

**SUBJECT: Consolidated Contact Center Services at Seattle-Tacoma International Airport**

**Amount of this request:** \$1,500,000

**Total estimated project cost:** \$1,500,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a five-year service contract for consolidated contact center services at Seattle-Tacoma International Airport (SEA), for an amount not to exceed \$1,500,000.

**EXECUTIVE SUMMARY**

With the SEA Airport's exponential growth over the past five years and technology expanding the ways customers communicate, multiple departments within the Aviation Division currently provide customer service for the Airport's various communications channels (website, phone, email, social media, SMS text, etc.) with differing systems, staffing levels, and hours of operation.

This procurement will consolidate the various department efforts into a unified customer service model with standardized systems and processes and procure a contact center vendor to augment internal staffing and provide supplemental coverage to ensure 24/7/365 customer service response at SEA Airport.

**JUSTIFICATION**

As a top-ten U.S. airport and a major international travel hub, there is an expectation for 24/7/365 customer service assistance at SEA Airport. However, with the Airport's exponential passenger growth over the past five years, the addition of new technologies used for customer communications (e.g., SMS text messaging, social media platforms, websites, e-commerce sales), and the added complexities of travel since COVID, there is a need to supplement internal staffing to meet the growth in customer service inquiries and provide timely assistance to passengers using the facility.

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In 2022, a consolidated contact center vendor will assist AV Commercial Management in maintaining existing customer service coverage for the Airport's e-commerce/pre-booking website (<https://booking.portseattle.org>). Launched in Nov 2019, the site allows customers to pre-purchase airport services (parking, lounge passes, etc.) in advance of arrival. Inquiries currently average 900-1000 per month; these inquiries are anticipated to increase concurrently with pre-booking customer adoption (est. 15-35% increase/year over the life of the contract). Due to the unprecedented growth in sales from the site in less than two years and internal staffing limitations, AV Commercial Management has had to rely heavily on contracted staff from an expiring consulting contract to manage customer service for the site. This procurement will utilize existing budget funding to replace the staffing services provided by the expiring contract and will ensure no degradation in customer service coverage for the site. Maintaining adequate customer service coverage is critical, as e-commerce/online sales have become a substantial source of revenue for the Airport generating more than \$12M in 2021 (\$15.4M since inception); estimated sales in 2022 are \$13.2M.

For AV Customer Service needs, it is anticipated contact center vendor service assistance would begin in 2023 (reliant on budget funding) to help meet the significant growth in general customer service inquiries at the Airport and provide additional staffing coverage to meet customer expectations for 24/7/365 service. AV Customer Service staff currently respond to 1100-1400 customer service inquiries per month from various Airport communications channels (webforms, phone calls, voicemails, emails, social media, and SMS text) during customary Monday – Friday business hours but are only able to provide minimal coverage during evening/weekend hours. Any substantial increase to these inquiries (est. 12% increase/year over the life of the contract) will degrade level of service provided to customers due to current department staffing limitations.

Procurement of a contact center vendor, and the flexibility and scalability it provides, is a cost-effective alternative to hiring additional Port staff to maintain an acceptable level of customer service and to expand coverage to 24/7/365. The flexibility provided by this procurement would allow the AV Commercial Management to maintain its existing level of service for its e-commerce website and allow AV Customer Service to supplement internal staff as required to handle peak hour surges in customer service inquiries across all Airport communications channels and support passengers that require assistance outside of regular business hours.

It is necessary to authorize and execute a contract expeditiously as the consultant managing customer service for the e-commerce/pre-booking website has notified staff that they will be terminating their contract and closing their business on December 31, 2021 due to impacts from the COVID-19 pandemic. If this replacement contract is not authorized, internal staff will be unable to maintain an acceptable level of customer service coverage for the website and online sales will need to be significantly reduced or eliminated in 2022 which will negatively impact non-aeronautical revenue by an estimated \$13-14M. Staff are in the process of hiring emergency hires to serve as a stopgap between the termination of the prior consulting contract and the execution of this new contract (est. June 2022).

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***Scope of Work***

Provide consolidated contact center services for SEA Airport across its various customer communications channels (websites, phones, emails, social media platforms, SMS Text messaging, Chat, e-commerce, etc.) to facilitate multi-channel, multi-tiered front-line customer service support 24/7/365. Consultant will provide high-quality, timely customer service coverage focusing on the accuracy of information provided, the completeness of information, and priority of first-call resolution. Consultant will also provide implementation services for integration with existing customer relationship management, online sales and marketing systems (i.e., Zendesk, Salesforce, Aeroparker, Cisco Telephony etc.) to facilitate active management and reporting of all requested communications channels (as described above). Type of service environment (shared, dedicated or a combination thereof) will be determined based on SEA staffing requirements and provided on a per minute basis.

***Estimated Costs***

\$1,250,000\* – Contact center vendor services, 5 yrs.

+ \$250,000 – Consulting, implementation services, systems integration, data migration, training

**\$1,500,000 – Total contract value**

*\*Estimated contract value is based on a \$1.50/minute rate for contact center services provided over the life of the contract. Actual cost of service may be lower based on negotiated per minute rate with the selected provider and may significantly reduce costs incurred. (Per minute rates currently average between \$0.80/min. - \$1.50/min. based on scope of work and contract value)*

<i>Negotiated Per Minute Rate</i>	<i>Est Cost of Services / Life of Contract</i>
\$0.80	\$ 663,153
\$0.90	\$ 746,048
\$1.00	\$ 828,942
\$1.25	\$ 1,036,177
\$1.50	\$ 1,243,413

***Schedule***

The Port is in the process of developing a Request for Proposal advertisement with an expected start of contract service date of May 1, 2022.

***Estimated Dates***

<u>Advertise Solicitation</u>	<u>December 8, 2021</u>
<u>Proposals Due</u>	<u>January 12, 2022</u>
<u>Port Executes Agreement</u>	<u>May 1, 2022</u>

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**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Use existing Port of Seattle staff to provide 24/7/365 customer service coverage at SEA.

Cost Implications: Requires reallocation of Port staff from other departments or overtime for non-salaried/hourly staff. Maintaining an acceptable level of service would require an additional 24-30 daily work hours over two different areas of demand (AV Commercial Management/e-commerce inquiries and AV Customer Service/general customer service inquiries). This expectation is not sustainable with current Port staffing limitations.

Pros:

- (1) Supplements existing Port staff in AV Commercial Management and AV Customer Service departments to help respond to customer service inquiries as efficiently as possible.

Cons:

- (1) There are not currently Port employees able to be reallocated to do this work.
- (2) Excessive overtime hours would be required.

This is not the recommended alternative.

**Alternative 2** – Hire a contact center services vendor to supplement internal staffing and provide contract staff to ensure 24/7/365 customer service coverage at SEA.

Cost Implications: \$1.5 million.

Pros:

- (1) Supplements existing Port staff in AV Commercial Management and AV Customer Experience departments to help respond to customer service inquiries as efficiently as possible.
- (2) Maintains existing level of service for SEA Airport e-commerce sales and provides expanded customer service coverage for general customer service inquiries (24/7/365).
- (3) Provides a flexible and scalable staffing model conducive to fluctuating customer service needs (i.e., seasonal, emergent, peak, non-traditional business hours).
- (4) Cost-effective alternative to hiring additional Port staff to maintain an acceptable level of service.

Cons:

- (1) Requires spending \$1.5 million of Port funds.

**This is the recommended alternative.**

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**FINANCIAL IMPLICATIONS**

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

Baseline budget in the amount of \$72,000 is allocated within AV Commercial Management to cover costs for contact center vendor services requested in this authorization, which will maintain existing customer service coverage for the SEA e-commerce/pre-booking website. No additional budget request is anticipated for this portion of the contract. If additional funds are required in future contract years, the department will reallocate budget from other accounts. This has already been taken into consideration and will be reallocated concurrently as customer adoption for the booking site expands.

Additional budget funding will be requested in 2023 by AV Customer Service to fully utilize the services of the contract and supplement customer service coverage provided by existing Port staff during non-business hours and/or peak periods. If these funds are not approved, this contract will provide flexibility, with vendor services provided on an as needed basis as requested by the Port.

The contract will not go beyond five years; based on estimated costs, cost of services is not anticipated to exceed the requested authorized amount, however, the Port may seek Commission authorization to increase the contract value if required.

**ADDITIONAL DETAILS**

This procurement also supports the Aviation Division’s long-term vision to implement a unified communications center at SEA Airport within the next five years. A centralized multi-function dispatch center, combining all Airport communications, security functions and systems (i.e., emergency response, maintenance requests, monitoring airport systems, public address paging, passenger customer service and airside operations) ensure cohesive service response regardless of issue and are typically found at most major large-hub airports.

This procurement serves as the first phase of the larger unified communications center project within the Aviation Division, consolidating customer service support for the Airport’s high-volume public-facing communications channels (website, phone, email, social media, SMS text, etc.) across various Airport departments, and augment internal staffing with a third-party contact center to ensure 24/7/365 customer service coverage at SEA. AV Operations will lead the second phase by undertaking a study in 2022 to develop the overall design, strategy, and implementation plan for a unified communications center at SEA. The third phase will be the consolidation of Airport communications, security functions and systems across all departments and the phased implementation of the unified communications center beginning in 2023.

**ATTACHMENTS TO THIS REQUEST**

- (1) SEA Consolidated Contact Center Services – Preliminary Cost Estimate.pdf
- (2) Presentation slides

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**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None