



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8j

ACTION ITEM

Date of Meeting March 8, 2022

DATE: January 10, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Jeffrey Wolf, Interim Director, Aviation Commercial Management
Khalia Moore, Senior Manager, Airport Dining and Retail

SUBJECT: Lease and Concession Request for Proposal for (1) ATM and Merchant Deposit Services and (2) Food and Beverage Vending Services at Seattle-Tacoma International Airport

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) issue two separate Request for Proposals to select a vendor for ATM and Food and Beverage Vending services and (2) to execute a Concession Agreement with the selected ATM service provider and vending operator at Seattle-Tacoma International Airport (Port).

EXECUTIVE SUMMARY

ATM Services:

The current Lease and Concession Agreement (Agreement) for these services naturally expired and was placed on hold-over status since 2020. This new Request for Proposal (RFP) would select a financial institution to provide ATM and merchant deposit services at the Airport.

Food and Beverage Vending Services:

The current Agreement for these services naturally expired and has been in a hold-over status since 2019. This new RFP would select an operator to provide food and beverage vending services in the public areas of the Airport, the Airport Office Building, Airport tenant breakrooms, etc. at the Airport.

JUSTIFICATION

ATM Services:

The current ATM Lease and Concession Agreement (Agreement) naturally expired and has been in holdover status. Staff is requesting the release of a Request for Proposal (ATM RFP) to seek out interested local, regional, and/or national financial institutions that desire to provide ATM and merchant deposit services to the public and tenants at the Airport.

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Currently there are fifteen (15) ATMs located throughout the Airport. ATM services is a critical item required by both the traveling public but also airport tenants and their employees. As part of this RFP the Port will be asking respondents to the RFP to not only provide traditional ATM services, but also provide a location for merchant ATM deposits, which allows Airport Dining and Retail (ADR) tenants and airport employees the ability to deposit end-of-day cash in an efficient and safe manner.

Due to banking regulations and the nature of the services provided, staff will utilize a modified RFP process that reflects Commission's guidance used in the ADR Master Plan Lease Groups as implemented in 2016 .

The term of this agreement will be for a period of five (5) years with two (2) one (1) year options at the Port's sole discretion.

Food and Beverage Vending Services:

The current Food and Beverage Vending Lease and Concession Agreement (Vending Agreement) naturally expired and has been in holdover status. Staff is requesting the release of a Request for Proposal (Vending RFP) to seek out interested parties to provide hot and cold food and beverage vending services at the Airport.

Currently there are fifty-seven (57) vending units that the public has access to located throughout the Airport. In addition, the current operator provides food and beverage vending services to Port employees through the Airport Office Building Market Place, vending units at Aviation Maintenance Distribution Center, Bus Maintenance Facility, and SeaTac Office Center (STOC). Food and Beverage vending serves as a critical item for continuity of service during after hour flight delays such as those caused by a snow event.

As part of this RFP, the Port will be asking respondents to not only provide traditional beverage and snack vending machines, but also provide hot beverage and food vending options.

Staff will utilize an RFP process that reflects Commission's guidance used in the Airport Dining and Retail (ADR) Program redevelopment Lease Groups implemented in 2016 (same as above).

The term of this agreement will be for a period of five (5) years with one (1) one (1) year option at the Port's sole discretion.

Diversity in Contracting

The ADR program is governed by the Federal Aviation Administration (FAA) and will include Airport Concession Disadvantage Business Enterprise (ACDBE) for the Food and Beverage Vending RFP.

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DETAILS

Schedule

Preliminary RFP Schedule for both RFPs:

Commission authorization to release RFPs	March 2022
Release RFP Documents	March/April 2022
Written Proposals Due	June/July 2022
Award and Lease Agreement Execution	August/September 2022
ATM Services Start of Operation	January 2023
Food and Beverage Vending Start of Operation	Q4 2022

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Staff is recommending the second, preferred alternative described below.

Alternative 1 – Negotiate new ATM and Food & Beverage Vending Agreements with the current ATM and Food and Beverage Vending Operators

Pros:

- (1) Doesn't require the Port to undergo the RFP process.
- (2) There will be no potential loss of services provided.

Cons:

- (1) Inhibits the process of fair competition.
- (2) Port will not get the benefits of a competitive process and innovations available with each of these RFPs.

This is not the recommended alternative.

Alternative 2 – Issue competitive RFPs for both ATM and Food and Beverage Vending Services.

Pros:

- (1) Allows for fair competition.
- (2) Creates additional opportunities for new ACDBE businesses and the introduction of new innovations in technology.

Cons:

- (1) Due to the current pandemic and economic environment, the Port may not receive responses to either RFP.

This is the recommended alternative.

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ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None