Port of Seattle
COMMISSION

AGENDA MEMORANDUM **Item No.** 10a

ACTION ITEM **Date of Meeting** June 28, 2022

DATE: May 10, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director Airport Operations
Jeff Hoevet, Senior Manager Airport Operations

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

Amount of this request: $50,100,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise and execute a contract for up to five (5) years (a two-year base contract with three (3) one-year options) of supplemental customer service operational staffing at Seattle-Tacoma International Airport for a contract value not to exceed $50,100,000.

EXECUTIVE SUMMARY

Seattle-Tacoma International Airport (SEA) is seeking to continue supplemental customer service staff in specific areas of the airport facility to ensure customers have the necessary support to efficiently navigate areas of the airport with operational challenges. Increasing passenger traffic has added pressure to a constrained main terminal facility and the new International Arrivals Facility (IAF) presents new challenges and opportunities to provide higher levels of service appropriate for an airport the size of SEA with a goal of achieving a SkyTrax 5 Star rating. These roles and locations include balancing loads at the TSA Security checkpoints, customer assistance in the new International Arrivals Facility, Ground Transportation support, and employee parking. At peak times it is critical that staff is available to ensure the efficient flow of customers through the facilities.

JUSTIFICATION

We have identified a need to supplement operational customer services in the public areas of the airport, which include the main terminal, IAF, Ground Transportation, and employee parking facilities. At peak times, many areas have high passenger congestion with insufficient

assistance to help customers navigate the facility. Contracted customer service staff is able to assist passengers during the busiest time of day, specifically in areas of the:

- TSA Security Checkpoints
- Spot Saver Lanes
- International Arrivals Facility
- Ground Transportation operating area
- North employee parking lot

The flexibility provided by a contracted customer service staff provider would allow the Port to handle peak hour surges but also support passengers that require assistance during most hours of the day.

Port staff identified several alternatives that are included in the attached PowerPoint. With relevant experience related to the staffing needs in the airport operation, the team identified options that will support customers and encourage and exceptional experience while allowing flexibility to respond to customer demand and seasonal volumes.

As we continue to improve the customer experience at SEA with recognition of being a SkyTrax 4 Star airport and winner of the 2021 SkyTrax Best Airport Staff in North America, the purpose of this request is to maintain focus on operational customer services throughout the airport facilities. We also strive to promote our facility as the "West Coast Gateway of Choice," advancing the Port's Century Agenda in leading the region in tourism and business by providing an efficient and pleasant experience at the airport facility.

DETAILS OF SUPPORT

During the pandemic, we significantly reduced operational customer service staffing and had anticipated a lower level of need for support for the new International Arrivals facility. As passenger volumes have returned, we recognize that the number of leisure travelers has increased while the number of business travelers has decreased. Many of these leisure travelers, who have less familiarity with the airport, require more assistance. With the IAF now open, we are seeing logistical challenges for customers that had not been anticipated in the original design of the facility. These include exponential growth in the number of passengers utilizing wheelchairs (e.g. a daily Emirates flight typically has 75+ passengers who are being met at the gate with a wheelchair), increased leisure passengers who often travel with significant amounts of luggage, the impacts of the "Bags First" operational process mandated by Customs & Border Protection which requires customers to navigate the screening queues along with their luggage, and a variety of issues related to baggage carts and navigating the sloped walkway exiting the facility.

In the main terminal, we continue to recognize the need for significant assistance for people moving through the congested security screening lanes. And, we added the Spot Saver product,

which requires additional staffing to check reservation times, answer questions, and to manage the queue.

The assistance provided by the operational customer service contracted staff is focused on the specific areas during the travel journey where congestion occurs or physical assistance may be necessary. While this assistance is different than the responsibilities of the Customer Service Representatives (Port employees known as Pathfinders), there are similarly high expectations for friendly and helpful assistance. The primary areas of operational customer service in this contract include:

Terminal

- Main Terminal customer flow and checkpoint wait times
  - Checkpoint line coordination
  - Checkpoint line load balancing
  - Spot Saver lane management

- International Arrivals Facility
  - CBP Passenger queue management
  - Assistance to CBP staff (escorting referrals to secondary)
  - Baggage assistance for transfer customers
  - Odd-size bag management
  - Organize and coordinate recheck security lines

Landside

- Ground Transportation
  - Provide assistance to customers navigating mode choices in the Parking Garage
  - Coordination of ground transportation operating area (transportation network companies)

- Employee Parking
  - Coordination of queuing
  - Data collection and reporting
  - Inventory reporting

SCHEDULE

The airport team is working with the Central Procurement Office (CPO) to develop a revised Request for Proposal (RFP) advertisement with an expected start of contract service date of January 1, 2023.

Anticipated schedule:
Develop and finalize RFP – September 2022
Advertise – October 2022

Proposal Review – October 2022
Award Agreement – November 2022
Commencement of service – January 2023

ALTERNATIVES

Alternative 1 – Allow customers to self-direct through airport congestion points and physically challenging situations without assistance.

Cost Implications: No financial investment from the Port.

Pros:

(1) No financial investment for operational customer assistance or other services.
(2) Consideration of approximately $10,020,000 annual expense savings.

Cons:

(1) This alternative does not maintain a four-star airport experience.
(2) This alternative relies on customer intuition, adding airport signage, and subjecting passengers to physically challenging situations for a less satisfactory experience.
(3) This alternative may contribute to long line waits, confusion, and customer dissatisfaction.
(4) Fire code and life safety may be compromised with unattended customer queues.
(5) Use of CBP to manage passenger queues would reduce number of available processing booths, thus increasing CBP wait times, and increasing the Minimum Connect Time (MCT) for passengers connecting to other flights.

This is not the recommended alternative.

Alternative 2 – Utilize existing Port of Seattle staff.

Cost Implications: the existing Port of Seattle staff (customer service representatives known as Pathfinders) are utilized in locations where significant airport knowledge is required to provide assistance to customers that is often complex in nature. Examples include providing consistent service (7 a.m. – 9 p.m., 7 days/week) at information desks and kiosks where customers obtain resources for unique needs (e.g. Sunflower lanyards, hearing loop devices), extensive language assistance, escorting customers, or working through difficult travel situations. A Pathfinder has also now been stationed at the often-confusing "split" in the IAF (decision point between exit to Seattle or connecting flights.) Extending coverage to operational areas (e.g. check point queues, ride share areas) would necessitate the hiring of additional Pathfinders. Given the operational challenges and seasonality of customer volumes, a contracted service provides the needed flexibility to make adjustments. Many airport service providers offer a variety of responsibilities

to their staff. This creates opportunity for work that can flex with seasonal customer demands while providing consistent hours.

Pros:

(1) Pathfinders currently provide customer assistance to help passengers with complex travel situations and could, thus, perform some of these basic operational customer service tasks (e.g. security queue management).

Cons:

(1) Current headcount cannot support additional (currently contracted) service to customers.
(2) Overtime options to fill the customer demand is not sustainable.
(3) Existing Pathfinder role does not include the physical requirements associated with baggage assistance. It would likely require a different customer service representative staff category.
(4) The specific functions described for the IAF, Ground Transportation and NEPL are also outside the current Pathfinder responsibilities which are centered around airport knowledge and highly experienced customer service delivery. These operational tasks may also require a different customer service representative staff category.

This is not the recommended alternative.

Alternative 3 – Enter into a contract with an experienced and professional service provider who has trained and capable staff.

Alternative 3 considers several options for service levels including a baseline, 4-Star, and 5-Star staffing. The attached PowerPoint illustrates staff recommendations with specific locations where support is necessary to influence the efficient movement of customers. Each alternative has been evaluated to ensure flexibility with seasonal customer demand. In any case, Port staff engagement with a successful vendor will ensure contract compliance and match staff support to anticipated customer volumes.

Cost Implications: $10.02 million annual expense

Pros:

(1) Demonstrates the Port's commitment to being the West Coast Gateway of Choice.
(2) Meets demands for a variety of customer assistance services expected in a four-star airport experience and required to achieve a five-star ranking. Encourages job creation in a contracted service, including small business component.
(3) Provides the ability to "flex" operational customer service staffing levels based on time of day and season.
(4) Effectively targets Port financial investments between responsibilities involving complex airport knowledge (i.e. Customer Service Representatives – Pathfinders)

and operational tasks with different requirements (e.g. physical assistance, basic understanding of airport terminal locations.)

(5) Provides a more efficient passenger terminal experience in several critical areas of customer movement.

Cons:

(1) Requires commitment of an approximate $10.02 million annual expense.

This is the recommended alternative

FINANCIAL IMPLICATIONS

Budget Status and Source of Funds

The costs associated with this contract will be included in annual operating budgets beginning in 2023. A current contract expires in 2022 and did not include expenses for expanded operations, nor did it include provisions for customer growth. The budget will reside in Airport Operations.

ATTACHMENTS

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 14, 2020 – The Commission authorized a two-year agreement for Consolidated Customer Support Services with an estimated value of $7,600,000.

May 22, 2018 – The Commission authorized advertising and execution of a contract for up to three years, a one-year base contract with two one-year options of seasonal customer service staffing at Seattle-Tacoma International Airport for an estimated contract value of $2,740,000.

September 30, 2014 – The Commission authorized execution of a contract for Centralized International Support Services in the Federal Inspection Services (FIS) Facility at SEA Airport for up to five years (2015-2019) for an estimated amount of $8,700,000.