

This document is a text-only reovery of the original PDF file. Any graphics that were in the original PDF are not included here. If you need the original document, please contact the Commission Clerk at the Port of Seattle.

COMMISSION

AGENDA MEMORANDUM Item No. 8h

ACTION ITEM Date of Meeting August 9, 2022

DATE: July 20, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Peter Lindsay, Interim Senior Manager Landside Operations

SUBJECT: Airport North Employee Parking Lot Security Contract

Amount of this request: \$1,300,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract for security services to be performed at the North Employee Parking Lot (NEPL) – Seattle-Tacoma International Airport (SEA) with an estimated value of \$260,000 annually with a five-year estimated value of \$1,300,000. The initial contract will be for a one-year term with four annual renewal options at the discretion of the Port, for a maximum term of five years.

EXECUTIVE SUMMARY

This request will permit the continuation of contracted parking guard services at the North Employee Parking Lot (NEPL). The guards will provide security support and access control for the operational activities at the NEPL. The lot attendants are responsible for continuous monitoring, access control, notification of criminal and suspicious activity, controlling traffic, and customer service. The cost of this service is included in the annual operating budget and fully recovered from the users of the NEPL through monthly permit fees.

The purpose of the contract is to provide site security and supplemental access control staffing for NEPL. The scope of security services includes the following core elements such as camera surveillance, assisting customers with lockouts and battery charges, police callouts for criminal activity, occasional foot patrols, and lot access.

The total cost for Port utilized contracted security services for the year 2021 was approximately \$175,000 and \$188,000 in 2022 under the current contract. For this request, staff estimate an annual cost of \$260,000 (total cost over five years of \$1,300,000). Costs related to guard services are recovered through parking fees. The proposed expenditure will likely increase fees by \$0.60.

Template revised January 10, 2019.

COMMISSION AGENDA – Action Item No. \_8h\_ Page 2 of 5

Meeting Date: August 9, 2022

JUSTIFICATION

The North Employee Parking Lot (NEPL) is a Port-owned surface parking lot north of SEA's airfield in the City of SeaTac's Riverton Heights neighborhood. NEPL provides parking for airport tenants including airlines, dining and retail partners, air cargo operations and other service providers. To maintain a safe operation, security and access control are needed for the lot as the lot is used all day, year-round by employees. The contract specifications call for a constant guard presence 24 hours, 7 days a week, and 365 days per year with the following key scope elements:

- Ensure only authorized persons have access to the lot
- Assist customers when they have issues with their access cards
- Provide 24-hour surveillance of the lot
- Available security presence on-hand and ready to react to emergent issues if necessary

Diversity in Contracting

Staff have contacted the Diversity in Contracting Office which recommended a 10 percent women and minority owned-business participation (WMBE). Previous iterations of the contract have successfully added to the Port of Seattle's diversity in contracting goals and the current contract holder is a WMBE firm.

DETAILS

The NEPL is located 2.9 miles from the Airport. The lot encompasses 28.3 acres and has over 4,000 parking stalls. Three bus shelters provide seating, vending machines, and restrooms for customers. On an annual basis, approximately 1.4 million customers are transported between the lot and airport employment centers including air cargo facilities and the Main Terminal. The Employee Parking bus shuttles run every 10 minutes 24 hours a day, 7 days a week, 365 days per year with constant customer activity.

Airport Operations has contracted with local security firms for access control and safety services

since 1999 when the lot began operation. We seek to award a contract for up to five years to the successful bidding security services provider in the form of an initial year with four, 1-year extension options.

#### Scope of Work

The successful contractor shall, at a minimum, provide a single, on-duty guard for the NEPL. The service shall be performed 24 hours per day, 7 days a week, including holidays. The contractor will ensure only authorized personnel are allowed access to the lot, report any operational issues to the Landside Control Center, maintain a daily log of events, and provide a weekly update to Landside Management. Specific scope elements include:

Template revised June 27, 2019 (Diversity in Contracting).

COMMISSION AGENDA – Action Item No. \_8h\_ Page 3 of 5

Meeting Date: August 9, 2022

- (1) Security Guard Presence – one security guard on-duty throughout the day
- (2) Regular Operational Reports and Daily Log – regular communications to advise management of lot activity, irregularities, and concerns
- (3) Access Control – assist with lot access and customer service
- (4) Supplemental security – enhanced patrols and security evaluations around the lot perimeter

In sum, Airport Operations intends to continue offering guard services with increased resources to allow flexibility and greater response for site security and public safety needs.

#### Schedule

##### Activity

Commission authorization August 2022

Advertise for Services August 2022

Review Proposals September 2022

Contract Start Date October 2022

#### ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Add Port staff to perform these functions. This option would eliminate the need for contract services for guard services in NEPL and task the Port of Seattle and SEA with the responsibility for all site-security services.

#### Cost Implications:

##### Pros:

- (1) Port staff are more knowledgeable of Port policies and procedures and Employee Parking procedures and could answer questions and provide improved customer service to Employee Lot customers.

##### Cons:

- 1) More expensive. The annual cost for the security contract is estimated at \$175,000 - \$260,000 annually. The billed rate for the security contract is \$28.95 for an officer and \$31.85 for a supervisor. The average hourly rate for a full-time parking services revenue representative, including benefits is \$39.69.
- 2) Disruptive to business operations. New staff would be needed to perform this new role and many lines of business have difficulty filling existing positions. Staff are concerned that business continuity and site security may suffer from a lack of headcount or the inability to find qualified personnel.
- 3) Women and Minority Business Enterprise (WMBE) participation. The current security contract is 100 percent WMBE. Transitioning to a Port of Seattle employment model would eliminate the guard service contract opportunity for WMBE firms.

Template revised June 27, 2019 (Diversity in Contracting).

COMMISSION AGENDA – Action Item No. \_8h\_ Page 4 of 5

Meeting Date: August 9, 2022

- 4) Conflicting roles. There are multiple workgroups at the Port that may contest the right to this work and further disrupt the ability to staff this vital position. This is not the recommended alternative.

Alternative 2 – Execute a contract for security services. Consistent with existing customer expectations and service levels since the NEPL began operation, this option would maintain the practice of using a contract security firm for NEPL guard services.

#### Cost Implications:

Pros:

- (1) Provide operational flexibility to supplement security needs without adding Full Time Equivalent (FTE) employees.
- (2) Security service at the NEPL is expected by major airline customers who comprise almost 90% of our customer base.
- (3) Efficient use of Port funds as the open bidding process helps the business unit attain competitive rates for services.
- (4) Provides an opportunity for WMBE contract participation. The current contractor is a WMBE firm.
- (5) Historically, NEPL guard services have been provided by a 3rd party firm since the airport extended employee parking operations to the site in 1999.

Cons:

- (1) Variability in guard experience due to third-party scheduling needs and staffing requirements. Although guards are typically dedicated to the operation, at times, personnel are moved between sites.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

As an enterprise, employee parking is a cost-recovery business whereby the expenditures necessary to operate and maintain the service are recovered directly from tenant customers and users of the service inclusive of all necessary taxes and fees.

The cost of guard services adds approximately \$0.60 per month to the Employee Parking monthly rate. Current tenant employee parking fees are \$81.00 per month.

Annual Budget Status and Source of Funds

Expenses for guard services are part of the baseline Employee Parking expense budget. If authorized, staff would add \$72,000 to Employee Parking's annual baseline budget for a total anticipated annual expense of \$260,000 for guard services in 2023.

Template revised June 27, 2019 (Diversity in Contracting).

COMMISSION AGENDA – Action Item No. \_8h\_ Page 5 of 5

Meeting Date: August 9, 2022

Financial Analysis and Summary

Project cost for analysis \$1,300,000

Business Unit (BU) Employee Parking

Effect on business performance \$0.60 per month to the monthly employee parking rate

(NOI after depreciation)

IRR/NPV (if relevant) N/A

CPE Impact N/A

Future Revenues and Expenses (Total cost of ownership)

Year 1 \$260,000

Year 2 \$260,000

Year 3 \$260,000

Year 4 \$260,000

Year 5 \$260,000

Total \$1,300,000

ADDITIONAL BACKGROUND

None.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 4, 2017 – The Commission authorized 5-year contract for NEPL security services.

Template revised June 27, 2019 (Diversity in Contracting).