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COMMISSION

AGENDA MEMORANDUM Item No. 8d

ACTION ITEM Date of Meeting June 13, 2023

DATE: June 6, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Julie Collins, Director, Customer Service & Brand Strategy

Jim Peterson, Senior Manager, Customer Experience

SUBJECT: Contract for Management and Operation of Lost and Found Center at Seattle-Tacoma International Airport

Amount of this request: \$7,000,000

Total estimated project cost: \$7,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract for up to five years for management and operation of the Lost and Found service at Seattle-Tacoma International Airport with an estimated value of \$7,000,000.

EXECUTIVE SUMMARY

The Lost and Found at Seattle-Tacoma International Airport serves a crucial airport operational need and provides a valuable service to airport customers. The single, centralized Lost and Found operation provides a one-stop service for customers and airport employees and eliminates the need for other airport partner organizations, like the Transportation Security Administration, and airlines to offer duplicate services.

Approval of this request will ensure that the Port of Seattle continues to provide a Lost and Found center at SEA Airport. This request supports the Commission's Century Agenda to create a business opportunity and job creation.

JUSTIFICATION

Since 2019, the SEA airport Lost and Found has received approximately 77,000 items. The staff has maintained a positive record to provide outstanding service to customers and has achieved an average 86% recovery rate during the last four years to reunite customers with lost or leftbehind items. In compliance with Washington state laws, Lost and Found staff securely stores lost items for 30 days before disposition. Unclaimed items are donated to local registered charitable organizations. High-value unclaimed items are transferred to the Port of Seattle Police

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Department who auction them off and deposit proceedings in the Port's Airport Development Fund.

The Lost and Found office at SEA Airport complies with the provisions of the revised code of Washington State (RCW), Chapter 63.21 Lost and Found property. The operation consists of the full range of services from finder responsibilities when wishing to claim property if unclaimed by the owner; search for recorded owner; contacting owners and returning lost property to owners, and disposal of unclaimed items if unclaimed by owner. The Lost and Found operation must maintain adequate controls, accountability, and adherence to established state laws, policies and procedures.

DETAILS

In April 2019, the Port of Seattle Commission awarded a contract to manage and operate the SEA Lost and Found center to Hallmark-Aviation Services. The competitively bid contract was for \$4.5M with a term of five years, through April, 15, 2024.

The value of this contract authorization (\$7M) reflects market conditions, and increased cost of labor.

Scope of Work

The Lost and Found center receives lost or left behind items found in the airport terminal (including items left at TSA checkpoints), parking garage, on rental car buses, and on the airport drives. The airlines at SEA Airport manage lost items that are left on aircraft and lost or misrouted baggage.

SEA Airport Lost and Found staff interact with customers who visit the center, located on the baggage level, on the telephone, and with customers who contact the center through the Port website and through email.

Project Objectives:

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- Maintain compliance with RCW 63.21 Lost and Found Property.
 - Maintain reliable Lost and Found service to customers and to airport business partners.
 - Assist the Transportation Security Administration, Port of Seattle Police Department and commercial airlines at the Airport in handling lost and found items on their behalf.
 - Utilize a software platform that makes it easier and faster for owners to be reunited with their lost items. Platform features include lost item management, easy shipment options, and advance image and text recognition technologies for easy item registration and item matching capabilities.
 - Maintain the Lost and Found operating hours of 8:00 a.m. to 6:00 p.m., seven days a week.

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FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

Contract payments are to be included in the annual operating budget as specific line items in the Aviation Operations Department budget. The funding source is the Airport Development Fund. The total contract cost over the requested five-year contract is estimated to be \$7,000,000.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- May 5, 2020 —The Port Commission Audit Committee was briefed on Internal Audit Report No. 2020-01 on Operational Audit Cash Controls, on Airport Lost and Found.
- April 24, 2018 -- The Commission authorized the award of a contract for up to five years for the management and operation of the Lost and Found service at SEA airport. The estimated cost was valued at \$4,500,000.

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