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COMMISSION

AGENDA MEMORANDUM Item No. 8g
ACTION ITEM Date of Meeting January 10, 2023
DATE: December 16, 2022

TO: Stephen P. Metruck, Executive Director
FROM: Laurel Dunphy, Director Airport Operations
SUBJECT: Rental Car Curbside Assistance
Amount of this request: \$5,000,000
Total estimated contract cost: \$5,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract for Rental Car Curbside Assistance at Seattle-Tacoma International Airport, for a 1-year base contract, with options for four additional 1-year extensions for an estimated value of \$5,000,000.

EXECUTIVE SUMMARY

This request would maintain customer service and operational efficiency by continuing to employ a curbside baggage services firm to assist passengers with queuing and luggage at the Seattle-Tacoma International Airport (SEA) terminal and the nearby Consolidated Rental Car Facility. The current contract expires in April 2023 and staff recommend establishing a new contract for similar services for up to five years. This service will be funded by Customer Facility Charges, which are used to support the operation of the Consolidated Rental Car Facility (CRCF), including covering existing debt service from construction, new capital projects at the facility, and operating bus operations.

This contract will support curbside assistance for over 4 million rental car customers per year who utilize the busing system between the two locations.

The Port of Seattle owns the CRCF located one mile north of Sea-Tac International Airport (the Airport) and operates the shuttle bus services (Airport Transit Operations) between the Airport and the CRCF. The Airport has designated customer drop off and pick up locations on the north and south end of the lower Airport drive, where curbside assistants will work. Airport Transit Operations buses operate at frequent intervals to shuttle passengers between the Airport and the CRCF. The Airport Transit Service operates 24 hours per day, 7 days per week. Bus schedules are variable based upon predicted passenger loads and adjusted as often as needed to efficiently transport passengers between the two facilities.

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JUSTIFICATION

Curbside Assistants provide customers assistance with queue management, and baggage handling as needed with a particular focus on peak activity at the terminal and CRCF. Curbside services expedite bus operations so passengers and baggage can load and unload efficiently. Minimizing dwell times at the curb allow drivers to make more trips during a shift and reduces their exposure to potential injury.

Curbside assistants also help with management of baggage carts which would otherwise clutter a congested queue and curb area. Curbside Assistants are further called upon to assist special-needs customers by obtaining a wheelchair or other assistance as requested, usually from at customer request relayed by a driver or ATO supervisor. This supports SEA's goal to be the most ADA accessible airport in the United States.

Other key points:

- Curbside baggage and queuing assistance services began May 17, 2012.
- Before opening the CRCF, Port staff surveyed other airports and made visits to Phoenix and Las Vegas to assess the need of curbside staff. Other airports with curbside staff included: San Diego, Dallas-Fort Worth, Phoenix, and Cleveland.
- Port staff analyzed the benefits of the rental car curbside assistants and determined that average dwell time may be as much as double without them present. The analysis indicated that the inclusion of curbside staff reduced passenger wait times and increased system efficiency.
- In 2016 and 2017, the Port experimented with eliminating the curbside assistance services for the rental car shuttle operation. Staff found that system efficiency was decreased and rental car companies as well as Port staff requested re-start of the program.
- A 60-day analysis of the operating conditions without curbside assistance resulted in unfavorable results – longer dwell times and queues-- and dissatisfaction by Rental Car stakeholders specifically

the rental car companies.

- In response to an unfavorable year without the program, the Port Commission authorized a new curbside services contract in 2018 with a 5-year term ending in April 2023.
- Since inception, the rental car bus system has transported more than 44 million passengers.
- To pay for myriad capital and operating expenses related to the CRCF – including the busing operation – the airport established a transaction-based fee known as a Customer Facility Charge (CFC). Curbside services are a CFC eligible expense because they directly relate to the operation of the common busing system. Generally, rental car companies support the use of CFCs for this [curbside baggage services] purpose. The CFC rate is currently at \$7 per transaction day through 2022.

- The contract will have a 1-year initial term, with four (4) additional 1-year options to extend.

The Port programs hours of service based on budget and operational need. It only pays for services rendered and ATO staff carefully monitor contractor performance to ensure appropriate cost control. Diversity in Contracting

Staff have contacted the Diversity in Contracting Office which recommended a 5 percent women and minority owned-business participation (WMBE) rate for this procurement.

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

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DETAILS

Scope of Work

The Rental Car Curbside Assistant schedules are aligned with those of the Airport Transit Operations (rental car shuttle) service schedule. The Contractor shall be responsible to schedule the appropriate number of staff in agreement with the Port Contract Administrator to provide service to the predicted volume of customers (as determined by the Port) at four designated locations: the north and south bus zones at the Airport terminal and the departures and arrivals bus zones at the CRCF. A daily schedule anticipates coverage from 3:00 a.m. to midnight. Schedules may be highly variable and shall be determined by the Port Contract Administrator. The Contractor shall be responsible to manage the queuing system that meets the needs of the operation and facility.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – No Formal Curbside Assistance.

Cost Implications: \$0

Pros:

- (1) No cost.

Cons:

- (1) Stakeholders would have strong opposition.
- (2) ADA customers will not receive service from RCF drop off to rental car counters.
- (3) Poor level of service for customer queuing.
- (4) Increased dwell times and decline in system-wide busing efficiency.

This is not the recommended alternative.

Alternative 2 – Peak Season Curbside Assistance (Service from April to September only).

Cost Implications: \$2,500,000 over five years.

Pros:

- (1) High level of customer service during peak season.
- (2) Reduces dwell times during peak season.
- (3) ADA service during peak season.
- (4) Minimizes employee injury exposure during peak season.
- (5) Funding available through CFCs.

Cons:

- (1) Decreased continuity in staffing due to seasonal positions.
- (2) Does not provide for year-round service, exposing some service and ADA risk.
- (3) Stakeholders strongly support year-round service.
- (4) Procurement risks with short-term service requirements.
- (5) ADA service during non-peak season would be limited and delayed.
- (6) ADA service during non-peak season would be limited and delayed.
- (7) Fall and winter holidays would potentially lack service.

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This is not the recommended alternative.

Alternative 3 – Year-Round Curbside Assistance.

Cost Implications: \$5,000,000

Pros:

- (1) Highest level of consistent customer service.
- (2) Reduces dwell times and maintains existing efficiencies.
- (3) Consistent ADA service throughout the year.
- (4) Minimizes employee injury exposure.
- (5) Consistent operation minimizes vendor risks for employee hiring and retention.

Cons:

- (1) Higher cost.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

The 2023 operating budget includes an amount of \$632,000 for curbside services. Costs for curbside assistance are 100% CFC eligible.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 7, 2012 – The Commission authorized execution of a contract for Rental Car Curbside Services, for a minimum of 6 months in duration, to be extended for up to three years (May 2012 through December 2015), for maximum contract value of \$1,489,800.

January 24, 2012 – The Commission was briefed on the 2012-2015 contract and a letter from Marshall Fein in support of the contract was entered into the record of the meeting.

November 2018 – The Commission was briefed on the ATO operation without curbside assistance, the negative influence on performance and the benefits of hiring a service firm to re-start curbside baggage services. Commission approved staff's recommendation for a 5-year contract worth about \$3.3 million.

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