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COMMISSION

AGENDA MEMORANDUM Item No. 8F

ACTION ITEM Date of Meeting January 24th, 2023

DATE: January 10, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Mike Tasker, AVM Director

Ryan Pazaruski, AVM Senior Manager

Daniel Alter, AVM Manager

SUBJECT: Authorization for Procurement of Bucket Truck CIP C801228

Amount of this request: \$800,000

Total estimated project cost: \$800,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a contract to procure one bucket truck. The estimated value of the contract is \$800,000.

EXECUTIVE SUMMARY

Ensuring safe and secure operations is key to the Seattle-Tacoma International Airport's mission. One key component to safety and security on the airfield is ensuring proper lighting. The current lift truck would be over 30 years old by the time it is replaced, is beyond useful life, and unreliable. New lighting from construction has increased lighting heights and or made lighting more challenging to reach. Currently the existing bucket truck is unable to reach required lighting in areas around the airport, including the below areas.

- Air cargo 2
- C Gates
- A Gates
- East end of pedestrian walkway

Airfield lighting around the cargo areas and on the airport, concourses can be up to 80 ft high, with certain areas requiring the truck to reach over portions of the building that have been extended past the lighting poles. The bucket truck would be utilized for airfield lighting, visual sign work, and pole replacement.

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JUSTIFICATION

Bucket trucks that reach 100 FT or more are highly specialized and there is generally a couple month waiting period to rent a truck that can meet needs. Procuring this vehicle will ensure staff are able to respond quickly to emergent issues when they arise.

Currently we rent a truck at \$15,000/month to perform required work. Many times, there is a couple month waiting period before a rental bucket truck becomes available, as these are not common in rental fleets. Generally, there is a relocation fee associated to the rental that covers the cost of transporting the truck from the area of the country it was into SeaTac.

A lift truck with more reach and height is necessary to support multiple high locations within air cargo, C gates, and A gates. Procuring this vehicle will ensure that staff is able to respond quickly to emergent issues should they arise.

The bucket truck will run on renewable diesel which follows the Fleet Sustainability guidelines and aligns the port to meet Century Agenda goals related to emissions standards while minimizing total cost of ownership.

Diversity in Contracting

We have worked with Diversity and Contracting regarding this procurement and subcontracting for this product is not feasible. When we are in the process of procuring, we will notify firms that may be able to provide the product, but due to the limited opportunities and available firms, we don't recommend establishing a WMBE goal on this contract.

Schedule

Activity

Commission authorization 2023 Quarter 1

Procurement 2023 Quarter 2
Equipment Arrives 2024 Quarter 2
In-use date 2024 Quarter 3

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – No change, utilize existing 85' bucket truck and rent when needed.

Cost Implications: \$15,000+ month in charges. Estimated need of 5 months/year.

Pros:

1. Ability to respond to some needs.

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Cons:

- (1) Not a long-term solution. Current bucket truck is model year 1994, is nearly 30 years old, and is beyond useful life. Current bucket truck is not reliable and is not supported well by the manufacture due to age. Parts are becoming obsolete, and the truck will not always be repairable.
- (2) Rental strategy can take time. 100'+ buckets are not always available and can take 3 to 4 months for rental to arrive.
- (3) \$15,000+/monthly charges.
- (4) Limited to what is available in rental market.
- (5) Not always able to respond quickly, postpones critical work by months and it leaves critical work undone.
- (6) Waiting until an unrepairable failure occurs, would make us rent until procurement and new unit is arrives which can take over 24 months.

This is not the recommended alternative.

Alternative 2 – Sell current bucket truck and rent bucket truck when needed.

Cost Implications: \$15,000+ month in charges. Estimated need of 7 months/year.

Pros:

- (1) No capital expenditure.
- (2) No maintenance.
- (3) No long-term storage required.
- (4) Disposes of current bucket truck which is beyond useful life.

Cons:

- (1) Rental strategy can take time. 100'+ buckets are not always available and can take 3 to 4 months for rental to arrive.
- (2) \$15,000+/monthly charges.
- (3) Limited to what is available in rental market.
- (4) Not always able to respond quickly, postpones critical work by months and it leaves critical work undone.
- (5) Projected to cost \$768,348 more over 20 years as compared to buying.

This is not the recommended alternative.

Alternative 3 – Procure new lift truck.

Cost Implications: Port would fund purchase through use of revenue bonds estimated at \$800,000.

Pros:

- (1) Ability to respond quickly and safely to maintenance needs.

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- (2) Removes reliance on rentals that are not always available.
- (3) Meets need of the airport for high work.
- (4) Provides flexibility for a range of heights.
- (5) Allows to reach over bump outs on buildings.
- (6) Projected savings of \$768,348 over 20 years as compared to renting.
- (7) Disposes of current bucket truck which is beyond useful life.

Cons:

- (1) Requires capital expenditure.
- (2) Space required to store truck.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$800,000 \$0 \$800,000

AUTHORIZATION

Previous authorizations 0 0 0

Current request for authorization \$800,000 0 \$800,000

Total authorizations, including this request \$800,000 0 \$800,000

Remaining amount to be authorized \$0 \$0 \$0

Annual Budget Status and Source of Funds

This project, CIP C801228, was included in the 2023-2027 capital budget and plan of finance with a budget of \$800,000. The funding source would be Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis \$800,000

Business Unit (BU) Airfield Apron

Effect on business performance NOI after depreciation will not change as costs will be (NOI after depreciation) fully recovered in airline rate base.

IRR/NPV (if relevant) N/A

CPE Impact \$0.01 in 2023

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ATTACHMENTS TO THIS REQUEST

NA

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