COMMISSION
AGENDA MEMORANDUM **Item No.** 8d

ACTION ITEM **Date of Meeting** May 14, 2024

DATE: April 23, 2024

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director Airport Operations

SUBJECT: **Seattle Ramp Tower Operations Services Contract**

Amount of this request: $16,000,000

Total estimated contract cost: $16,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to authorize contract execution for the operation and management of the Seattle Ramp Tower (SRT) for an estimated cost of $16,000,000 (total three-year term with three one-year options will commence approximately January 1, 2025); and enter into agreements with the Federal Aviation Administration (FAA) in relation to managing and coordinating operations between the SRT and the FAA.

EXECUTIVE SUMMARY

The Seattle Ramp Tower (SRT) is currently operated by the Port of Seattle under contract with Dynamic Science Inc. The current contract is set to expire on December 31, 2024.

The SRT generally manages operations in the taxilanes and gate areas. The FAA Control Tower manages operations on the runways and taxiways. Established agreements between the two towers are necessary on how to transition aircraft and other operators between the two areas. The close coordination is essential for both parties to efficiently operate the airport.

Operating a Ramp Tower at SEA is crucial for safety, minimizes taxi times, saves fuel, reduces fuel emissions, and saves costs for airlines. The ramp tower costs will not affect the landing fee rate, as cost recovery will be achieved through an existing per-operations tariff.

Also, noteworthy is the backdrop of expanding capital programs such as the C Concourse Expansion (CCE) that increasingly impede the operational fluidity of our airport. Therefore, securing a competent operator who can adapt to new technology becomes paramount to navigating these challenges effectively.

JUSTIFICATION

SEA is one of the busiest airports in the United States, serving millions of passengers annually. The intricate layout of taxilanes, aprons, and terminals often leads to congestion and inefficiencies in aircraft movement on the ground. The SRT, also known as the ramp control tower or ramp control for short, is an important asset that provides advisory instructions for aircraft moving to and from these areas. It provides impartial sequencing of aircraft and avoids gridlock, thus facilitating more effective traffic flows. Ramp control towers provide essential services in daily operations at large airports, and with the implementation of ramp control towers, airlines and airport operations have reported increased efficiency and reduced costs. Analysis of the SEA SRT program showed a conservative cost savings to the airlines of approximately $1.8 million. Increased operating costs since then would result in even greater savings. Costs associated with this contract are fully recovered via a dedicated existing per-operation tariff and does not affect landing fees.

The National Transportation Safety Board (NTSB), in its report on a 2001 runway incursion at SEA, recommended that the Airport implement ramp control to reduce the potential for future runway incursions.

All of the SRT controllers are FAA-certified, to ensure the highest level of professionalism.

DIVERSITY IN CONTRACTING

We've spoken with the Diversity and Contracting department and because there are limited scope elements and WMBE firms available in this industry, we will not be setting a WMBE aspirational goal. However, there might be a few WMBE firms from out of state who could be interested, so we'll reach out to them to encourage bidding.

DETAILS

The FAA provides positive control of aircraft activity on the runways and taxiways at SEA. This positive control does not extend to the remaining paved areas for aircraft movement, known as ramps and aprons. The responsibility for safe aircraft movements in these non-controlled areas rests with aircraft pilots. Although the FAA Air Traffic Controllers can provide an advisory service to aircraft moving on the ramp, this is not mandatory and is deemed optional. The NTSB, in its report on a 2001 runway incursion incident at SEA, recommended that the Airport implement ramp control as a means to reduce the potential for future runway incursions. The operation of a ramp control facility is also fully supported by the air carriers that operate at SEA.

Utilization of a ramp control facility provides coordinated advisory control of aircraft movements to and from the airport runways and taxiways, provides impartial sequencing of aircraft, and prevents gridlock. Ramp control facilities at large airports are essential to daily operations. The

SRT also increases safety, minimizes taxi times, saves fuel, reduces emissions, and reduces airline costs.

Ongoing capital programs such as the Concourse C Expansion (CCE) contribute to the obstruction of views from the current SRT. As new structures rise around the airport, the visibility for ramp traffic controllers diminishes, posing safety concerns and operational challenges. These obstructions impede the ability of controllers to effectively monitor and manage ground movements, potentially leading to delays and increased risks of accidents.

The selected vendor will assist the Port in transitioning to a virtual ramp tower (VRT) system in the next few years. The advanced camera systems and data analytic capabilities of a VRT provide ramp traffic controllers with comprehensive situational awareness, even in areas with limited visibility. This technology enables controllers to efficiently manage aircraft movements, mitigate congestion, and reduce taxi times. Therefore, improving the overall flow of traffic within the non-movement area. Staff intend to transition to a VRT within the timeframe of this Commission authorization. Costs associated with constructing the VRT will be brought before the Commission as a separate action.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – **Initiate competitive procurement** for staffing and operation of the Ramp Tower Operations for a three-year term, to includes three (one-year) options. This alternative will provide the personnel to staff and operate the Ramp Tower Facility, providing the coordinated flow of aircraft to and from the runways, increasing the safety and efficiencies for the FAA, the Airport, and the airlines.

This is the recommended alternative.
Cost Implications: $16,000,000

Pros:

- SRT controllers are FAA-certified.
- Cost Control: Through competitive procurement, the airport can negotiate competitive rates and terms, potentially reducing operational costs compared to in-house staffing.
- Flexibility: Including options for contract renewal allows for flexibility in adjusting staffing levels or transitioning to alternative solutions as needed.
- Training – an experienced company has established training protocols, procedures, materials, instructors, etc.

Cons:

- Risk of Disputes: Contractual agreements with external providers may entail risks such as disputes over performance, service quality, or contract terms, which could impact operational continuity and stakeholder satisfaction.

Alternative 2 – Hire SRT staff as Port of Seattle employees.

Cost Implications: $20,286,000

Pros:

- Direct Control: Hiring controllers and a manager as Port of Seattle employees provides direct oversight and control over staffing, training, and operational procedures, allowing for greater customization and alignment with airport-specific needs and goals.
- Stability and Continuity: Employing controllers and a manager as Port of Seattle staff ensures stability and continuity in staffing, reducing turnover risks and maintaining institutional knowledge and expertise over the long term.

Cons:

- Increased Administrative Burden: Assuming responsibility for hiring, training, and managing SRT staff as Port of Seattle employees may impose additional administrative burdens and resource demands. SEA does not currently have staff who have capacity to conduct regular training of SRT employees.
- Higher Cost: Directly employing SRT staff may result in higher operational costs for the Port of Seattle.
- Training: The Port does not have a training program for ramp controllers and the supervisors. There is not enough time to develop one and get all staff trained prior to the end of the existing contract. All the costs associated with training would feed into the higher cost item above.

Alternative 3 – Eliminate the SRT.

Cost Implications: Initial savings but potentially increased indirect costs.

Pros:

- Cost savings.

Cons:

- Airport would become grid locked.
- Higher greenhouse gas emissions caused by longer taxi times.
- Reduced revenues as airlines would likely cancel flights due to the congested airfield.
- Increased risk of aircraft accidents.
- Increased risk of runway incursions.
- Increased liability if there is an accident as we ignored the NTSB's recommendation to establish ramp control.
- Increased airline costs due to increased taxi times, fuel burn, crew costs, maintenance costs, etc.

FINANCIAL IMPLICATIONS

The ramp tower annual expense is budgeted in the Airport Operation's operating budget and approved through the annual budget cycle. The expense is charged as an apron fee in the airlines rates and charges.

ATTACHMENTS TO THIS REQUEST

(1) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

1. July 12, 2016: Execute a contract for the operation and management of the Seattle Ramp Tower for an estimated cost of $12,941,000 for up to 8 years (5- year initial with 3 1-year options)
2. June 22, 2010: Execute a six-year contract for operations and management of the Seattle Ramp Tower for an estimated cost of $4,700,000 for the first three years and options for an additional three years for a total cost of $9,400,000.
3. September 22, 2009: Execute a one-year extension for continued operation of the Airport Ramp Control Tower Facility for a total cost of $1,019,000.
4. On November 11, 2008, Commission authorized execution of the first one-year extension to the PSA for the operation of the Airport Ramp Control Tower Facility, for an estimated cost of $1,019,000.
5. On November 22, 2005, Commission authorized execution of a three-year PSA, for an estimated cost of $3,675,000, with provisions for two one-year extensions, for the operation of the Airport Ramp Control Tower Facility.