



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6e

ACTION ITEM

Date of Meeting November 12, 2019

DATE: October 10, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Stuart Mathews, Director, Aviation Maintenance
Allen Tygesen, Satellite Transit System and Utility Systems Manager, Aviation Maintenance

SUBJECT: Contract for Personal Services of On-Site Technical Services Support for Satellite Transit System

Amount of this request: \$2,500,000

Total estimated project cost: \$2,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a Sole Source Personal Service Contract with Bombardier Transportation for on-site technical services support for the Satellite Transit System (STS) at the Seattle-Tacoma International (Sea-Tac) Airport, for a five-year, seven-month period with a total estimated cost of \$2,500,000.

EXECUTIVE SUMMARY

The on-site technical services support provides a full-time system expert from Bombardier Transportation that has full knowledge of the transit system, equipment, and access to the proprietary operating program codes developed by Bombardier for the transit system at Sea-Tac Airport. The Bombardier system expert will provide required program updates and be available to provide technical details to STS maintenance teams during system outage and recoveries.

This is continuing technical support by the manufacturer to replace an expiring contract. This type of service is common for automated computer driven underground transit systems to assure smooth operations and provide immediate access to proprietary operating software and knowledge. Sea-Tac Airport has used this service since 1976 to assure safety and customer service.

JUSTIFICATION

In an effort to remain a world-class operating airport, the on-site Bombardier system expert is instrumental in supporting the Aviation Maintenance team who are responsible for the 24/7/365 train operations that deliver reliable train service, carrying our passengers and business partners to and from the North and South Satellites on a daily basis. The proprietary code and operating program that controls the STS is only accessible through Bombardier's technical experts for

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updates that are required to be performed on site. The STS maintenance team does not have direct access to the proprietary operating program at any time. As such, a Sole Source Personal Service Contract is necessary to support this system.

Diversity in Contracting

This is a sole source contract through Bombardier Transportation for a single technical expert that will reside full-time in the STS Maintenance team. There will be no option for Bombardier to subcontract outside businesses to perform this work due to the technical knowledge required along with proprietary operating program information for the Satellite Transit System, that would not be shared with any outside entity.

DETAILS

The cost for each year of the contract is budgeted within the annual Aviation Division operating budget. The estimated value of this contract is \$2,500,000 over a five-year, seven-month period.

Aviation Maintenance is proposing a five-year, seven-month contract to adjust the renewal period from the current date of December 1 to a new renewal date of July 1 for the term of the contract. The new date of July 1 relieves CPO of additional contract work near year-end for the term of this contract.

Scope of Work

The scope of work for this procurement is for Bombardier, as the original manufacture, to provide an on-site Technical Support Representative to provide services which enable the Port to operate, perform inspections, and complete preventive maintenance and repairs on the Satellite Transit System (STS). Bombardier will also provide urgent and necessary services to assist the Port, so that it may restore the STS system to operational status during significant system failures, regardless of the time of day. The essence of this service provided by Bombardier under this agreement is vendor support to aid the Port in minimizing operational cost, improving performance and efficiency, and maintaining safety of the STS.

The following services provided will be dependent upon the Port's direction and the immediate goals of the overall operations and maintenance program. These services should include but are not limited to:

Vendor Support/Technical Assistance:

- (1) Provide technical assistance for the Port's operation and preventive maintenance program for the STS system. This program will include monitoring results, reviewing processes, and updating of the program documentation.
- (2) Provide technical assistance for service restoration after a failure and the repair, adjustment and/or recalibration of defective equipment which is not in service or was removed from service as a result of a failure.

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- (3) Provide technical assistance for the Failure Monitoring System (FMS). This service includes data correlation, analysis, and reporting. Review data analysis for any indication of unsafe operating conditions and provide the necessary feedback to keep the operating and preventive maintenance program current. This feedback will result in updates of the formalized preventive maintenance routines and recommended changes in operating procedures.
- (4) Facilitate and interface with the Bombardier system engineers on any recommended changes because of safety implications or anticipated significant improvements in reliability.
- (5) Provide the Port with monthly and yearly maintenance and operating reports, with the format to be determined by the Port.
- (6) Present cost and time estimates for projects outside of the agreement.

Vendor Support with Manufacture/Bombardier:

- (1) Interface with Bombardier's Engineering and Technical Support Services at the company headquarters to advise the Port of changes in operation and maintenance procedures, parts issues, primary and subsystem enhancements, and upgrade opportunities.
- (2) Facilitate and interface with the Bombardier system engineers for the design, fabrication, testing, and application of special test equipment for the long-term maintenance of the system.
- (3) Facilitate and provide interfacing between the Bombardier system engineers and the Port. Through this communication link, the Port can access Bombardier's system engineers, technical compliance department, and configuration control group. This link will provide current improvements and problems which have been disclosed on other Bombardier-operated automated people mover systems. Technical assistance services are also provided to adapt these improvements to the Port system.
- (4) Facilitate and interface between the Bombardier system engineers and the Port for the review and approval of STS-defined safety and reliability improvements. Bombardier will review all documentation pertaining to improvements that have been generated by the Port and maintain documentation of those improvements.

Employee Training and Spare Parts Inventory Tracking:

- (1) Bombardier will provide the Port with regular inputs on the level of proficiency of the Port's existing maintenance and operations groups. Recommendations will be made to the Port, with Bombardier to provide assistance with on-the-job training to upgrade competencies where required.
- (2) Assist the Port in screening, selection, and training of new personnel and support on-the-job training programs for all present and future maintenance and operations staff.
- (3) Maintain a library of inventory requirements for the STS. Liaison with Bombardier and other sites utilizing Bombardier systems for cost reduction on parts.

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This Personal Service Contract will provide Sea-Tac Airport with technical vendor support services that will provide continued and reliable direct access to an on-site Bombardier system expert for solutions to STS service issues when they arise.

Schedule

The goal of this procurement will be to enter into a new Personal Services Contract for on-site Technical Services Contract by November 30, 2019.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not execute a service contract.

Cost Implications: \$0.00 contract value.

Potential incident response costs unknown. If the STS were to encounter a failure related to Bombardier’s operating program and proprietary codes, our in-house maintenance team does not have authority to access, troubleshoot, and re-program the proprietary operating program. If an extended outage related to the proprietary operating program were to occur, the cost implications to our airlines for delayed and canceled flights could reach into the millions per day in addition to a loss of customer confidence and service.

Pros:

- (1) The annual cost of this contract is avoided.

Cons:

- (1) The Satellite Transit System is critical to the safe and efficient operation of the airport. Unavailability of the system due to a lack of technical service availability presents a significant risk.
- (2) There would be no way for our in-house maintenance team to be trained on the proprietary operating program and provide updates as needed.

This is not the recommended alternative.

Alternative 2 – Execute a Sole Source Personal Services Contract with Bombardier Transportation for an on-site Technical System Expert at Sea-Tac Airport over a five-year period.

Cost Implications: Estimated \$2,500,000 over five years, seven-months.

Pros:

- (1) This allows Aviation Maintenance staff to continue to have a Bombardier Technical System Expert on-site to provide system expertise, direct access to the proprietary operating program, and appropriate updates to the operating program in support of our in-house Maintenance team.

Cons:

- (1) This process requires executing a Sole Source Personal Services for an on-site Technical System Expert from Bombardier. This does not allow for a competitive process.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Annual Budget Status and Source of Funds

The cost for this Personal Service Contract will be included the annual Aviation Maintenance expense budget.

Future Revenues and Expenses (Total cost of ownership)

The expected annual costs are \$447,000 per year of the contract. Approximately 77% of the costs are recovered from airlines through terminal rents.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

October 14, 2014 – Commission authorized the execution of a five-year contract with Bombardier Transportation Inc. for technical services.