



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8h

ACTION ITEM

Date of Meeting October 27, 2026

DATE : September 25, 2026

TO: Stephen P. Metruck, Executive Director

FROM: Sabin Mudaliar, Interim Director Airport Operations
Peter Lindsay, Assistant Director Landside Operations
Lisa Rousseau, Manager Landside

SUBJECT: Authorization to Issue a Competitive Solicitation for Airport Curbside Passenger Assistance and Baggage Handling Services

Amount of this request: \$6,000,000.00

Total estimated project cost: \$6,000,000.00

ACTION REQUESTED

Request Commission authorization for the Executive Director to competitively procure and award a contract for curbside passenger and baggage handling services for a period of five years, in an amount not to exceed \$6,000,000. These services support curbside boarding and alighting operations for Airport Transit Operations (ATO) shuttle buses transporting rental car customers between Seattle-Tacoma International Airport (SEA) and the Rental Car Facility (RCF).

EXECUTIVE SUMMARY

Dedicated curbside staff have supported the Rental Car Facility (RCF) busing operation since the activation of the facility in 2012. Under the existing contract dedicated curbside staff manage queues, customer flow coordination, provide wayfinding, assist with baggage handling, and support passengers with disabilities that utilize our rental car busing operation. These activities and services occur at three primary operating locations:

- North terminal arrival bus zone
- South terminal arrival bus zone
- Departing passenger zone at the RCF

Staff recommend continuing this service through competitive procurement. Staff evaluated in-house delivery through a comparative cost analysis and review of staffing and operational responsibilities. The analysis indicated higher anticipated costs for in-house delivery. These

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findings, together with the need for reliable coverage and operational flexibility to meet seasonal demands, support continued contracted services.

This action seeks to award a contract for curbside passenger assistance and baggage handling services for a duration of five (5) years through a competitive procurement. Continuation of these services through a single open-order contract provides predictable staffing, operational consistency, and flexibility to respond to peak activity or irregular operations. The requested authorization of \$6,000,000 is fully funded through Customer Facility Charges (CFCs), a statutory fee dedicated to RCF operations.

JUSTIFICATION

Since RCF opened in 2012, curbside passenger and baggage handling services have been essential to maintaining orderly, safe, and efficient shuttle operations. A short interruption in service during 2015–2016 demonstrated noticeable declines in shuttle performance and customer experience. Staff observed increased congestion on the sidewalk, slower passenger throughput, and a significant degradation of customer experience.

Curbside staff organize passenger queues, assist with luggage, and provide direct support to shuttle drivers. Dedicated curbside staffing ensures efficient passenger throughput. Staff are dedicated to mitigating congestion within loading areas and strengthen overall ADA customer service. Dedicated baggage assistance also significantly reduces the physical demands and lowers injury risk for shuttle drivers who otherwise handle baggage. Maintaining these services is foundational to safe and orderly curbside operations at SEA and at the RCF.

The successful vendor would be responsible for recruitment, scheduling, training, and coverage within the Port's service requirements. Conversely, an in-house staffing model would place these additional burdens on Port administration and introduce additional complexities related to addressing seasonal peaks, leave, and absences. Based on comparable positions at the airport, staff estimate that an in-house staff model could increase costs by about \$3 million over the duration of the contract. Staff's financial and operational assessment supports retaining contracted delivery.

Diversity in Contracting

Staff will collaborate with the Diversity in Contracting team to establish meaningful opportunities for WMBE participation in the consolidated solicitation. Early industry outreach, flexible subcontracting structures, and transparent bid requirements will help ensure that small and diverse businesses can competitively participate as primes or subcontractors.

DETAILS

The curbside passenger assistance and baggage-handling contract provides dedicated frontline staffing at SEA's busiest rental car busing arrival and departure locations.

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Scope of Work

The proposed contract will cover the following services at the following locations:

- North terminal arrival bus zone
- South terminal arrival bus zone
- Departing passenger zone at the RCF

The proposed Key service elements include:

- (1) **Queue Management:** Maintain orderly passenger lines, manage curbside congestion, and ensure efficient flow at shuttle boarding areas.
- (2) **Baggage Assistance:** Support safe loading and unloading of luggage, reducing injury risk for shuttle drivers.
- (3) **Wayfinding & Customer Support:** Provide clear directions, general assistance, and help ADA customers navigate curbside operations.
- (4) **Operational Readiness:** Adjust staffing to meet peak demand, monitor curb conditions, and support consistent service delivery across all curbside zones.
- (5) **Safety & Customer-Service Training:** Contractor staff must meet Port standards for customer interaction, safety protocols, uniforms, and communication with ATO supervisors.

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Discontinue and Eliminate Curbside Passenger and Baggage Staffing

Cost Implications: \$0 – Eliminates the cost of dedicated vendor contract or equivalent in-house staffing costs. Reduces ongoing expenses to zero relating to curbside services.

Pros:

- (1) Eliminates all contract costs associated with curbside passenger assistance.
- (2) Simplifies operations by removing vendor management and coordination responsibilities.

Cons:

- (1) Creates significant curbside congestion, long passenger queues, and slower shuttle throughput.
- (2) Results in poor customer service and inconsistent wayfinding support, especially during peak periods.
- (3) Increases ADA-related risks due to lack of dedicated passenger assistance at curbside.
- (4) Places added physical burden and injury risk on shuttle drivers who would need to assist with baggage.

This is not the recommended alternative.

Alternative 2 – Bring curbside services in-house and add port staff to perform these functions. This option would replace vendor provided staffing services with Port employees and transition responsibility for staffing and service delivery at the terminal and Rental Car Facility (RCF) directly with Airport Transit Operations (ATO).

Cost Implications: Staff performed a comparative financial analysis and carefully evaluated transitioning these services to Port employees. Financial analysis estimates the five-year cost to transition curbside services to Port employees at approximately \$9.2M, compared to the \$6M total authorization requested for services over the same period. This estimated range is based on available Port personnel cost data of current and comparable non-represented airport positions. The analysis includes an evaluation of anticipated wages, benefits, allocated corporate overhead, and other non-payroll associated expenses. The results strongly indicate higher recurring costs for in-house delivery. These findings were considered alongside the operational requirements and administrative responsibilities associated with establishing and maintaining a Port-staffed operation.

An in-house model would require the Port to assume recruitment, training, supervision, and scheduling. Staffing would need to accommodate seasonal fluctuations in rental car activity while maintaining consistent curbside services. These responsibilities would require robust staffing flexibility to maintain services during peak periods, leave, and unanticipated absences and vacancies. These elements would require further development in a detailed staffing model and

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implementation plan before transitioning services to Port employees. In effect, potentially resulting in a period of interrupted services.

Additionally, increased operational costs would need to be funded by the Customer Facility Charge (CFCs). Changes to planned CFC expenditures may affect rental car activity and limit flexibility to support planned future improvements supported by the CFC such as bus fleet modernization, bus maintenance facility improvements, and other Rental Car Facility (RCF) infrastructure needs.

Pros:

- (1) Full internal control over staff performance, training, and customer-service standards.
- (2) Direct alignment with Port operational priorities and the ability to adjust service delivery without vendor constraints.
- (3) Enhances customer experience through unified queue management, wayfinding, and ADA-related support.

Cons:

- (1) Substantial ongoing staffing, payroll, scheduling, and training burden placed on Landside Operations.
- (2) Requires building new operational systems (dispatch, supervision, safety programs) that are costly and resource-intensive.
- (3) Creates long-term budget pressure and reduces flexibility to scale staffing up or down based on passenger volumes.
- (4) Creates potential CFC funding requirement changes which could affect customer demand, consortium support, and flexibility to fund other rental car and ATO improvements.

This is not the recommended alternative.

Alternative 3 – Maintain a Single-Vendor Approach for Curbside Operations (Recommended)

Cost Implications: Within the five-year estimated contract cost of \$6,000,000.

Pros:

- (1) Ensures consistent service standards, training, and accountability across all curbside locations.
- (2) Improves operational flexibility, allowing the vendor to adjust staffing and resources quickly based on passenger volumes and irregular operations.
- (3) Enhances customer experience through unified queue management, wayfinding, and ADA-related support.
- (4) Compatible with budget expenditures, forecast CFC estimates and planned capital improvements

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Cons:

- (1) Transition to a new vendor (if applicable) will require onboarding and alignment with Port protocols.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

The costs of the Rental Car Facility's Airport Transit Operations (ATO) contracted curbside passenger assistance and baggage handling services are recovered through Customer Facility Charges (CFCs), which are funded by rental car customer transactions collected by rental car companies. CFC revenues support eligible operating expenses, debt service, maintenance, and capital improvements for the Rental Car Facility and its transportation system.

The 2026 CFC rate is \$8.00 per rental transaction. Higher recurring service costs would place additional pressure on CFC rates and could reduce funding flexibility for future improvements such as, but not limited to, planned fleet improvements or facility improvements. These financial impacts must be evaluated alongside potential effects on rental car demand and in coordination with rental car stakeholders.

Annual Budget Status and Source of Funds

The Rental Car operational baseline budget in 2026 includes an approved sum of \$1.1M. Proposed costs for contracted services align with existing baseline budget needs and support required staffing levels for curbside passenger and baggage handling at SEA and the RCF.

Financial Analysis and Summary

Project cost for analysis	\$6,000,000.
Business Unit (BU)	Landside Operations, Rental Cars Airport Transit Operations
Effect on business performance	Funded directly by CFCs. Current rate set \$8.00 per rental customer transition for FY 2026. Higher recurring ATO costs increase pressure on CFC rates and may reduce flexibility to fund future facility and capital improvements.
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

Future Revenues and Expenses (Total cost of ownership)

Current finance and budget analysis forecast approximately \$42.6M in 2026 year-end revenue.

Projected Year-by-Year Costs

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Cost Breakdown

This Request

Contract Year 1	\$1.14M
Contract Year 2	\$1.16M
Contract Year 3	\$1.18M
Contract Year 4	\$1.21M
Contract Year 5	\$1.23M
Total Estimated Cost	\$6M

ATTACHMENTS TO THIS REQUEST

(1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

September 27, 2022 – The Commission authorized a 5-year contract for Curbside services.