COMMISSION
AGENDA MEMORANDUM

Item No. 8h

ACTION ITEM

Date of Meeting November 17, 2026

DATE: November 17, 2026

TO: Steve Metruck, Chief Executive Officer

FROM: Dan Hytry, Manager, Aviation Maintenance
Erik Knowles, Asst Director, Aviation Maintenance
Mike Tasker, Director, Aviation Maintenance

SUBJECT: Siemens DDC Service Contract

Amount of this request: $10,800,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute an agreement for Maintenance Services for the Seattle-Tacoma International Airport's (SEA) Direct Digital Control System for up to five years. Total dollar value for the 5-year term is estimated at $10,800,000.

EXECUTIVE SUMMARY

This procurement will allow the Port staff to continue to operate and maintain the SEA Direct Digital Control (DDC) System. This system controls and operates most airport terminal mechanical systems such as heating and cooling (HVAC), air flow and vibration set-points, smoke control and life safety systems and is considered critical to monitoring the airport infrastructure. With the expansion of the airport due to the International Arrivals Facility, NorthSTAR, and C Concourse Evolution, the system has grown from 157,000 control points to 240,000 control points, an increase of roughly 52% and the number of field panels has grown 93% to 384 over the last 5-year cycle. It is expected to continue to grow with S Concourse Expansion. To date, costs have only increased due to annual escalation, which is standard practice.

The Siemens DDC system is a proprietary system with required software updates, tools and training provided only to Siemens technicians. Following these major projects, a CPO-6 Competition Waiver for the Siemens DDC system was approved in 2025 to allow the Port to enter into a contract with Siemens without competing the service contract. Through the Central Procurement Office, contract negotiations will take place with Siemens to develop the contract scope and pricing for the next 5-year contract.

The Siemens Direct Digital Controls (DDC) system was originally procured through a competitive process dating back to the 1980's. At that time, Siemens was the low bidder on the original Concourse A expansion. Siemens was also the lowest bidder on the 1991 Concourse B, C, and D Upgrade project. Both projects were advertised and awarded through a competitive process.

In 2008, Siemens was the low bidder on the Rental Car Facility Project, designed as a stand-alone DDC system. This project was advertised and awarded through a competitive process.

In 2010, Siemens was the successful low bidder for the PC Air system. This project was advertised and awarded through a competitive process.

For reference, a point is defined as any item in the system that can be monitored or controlled by the system. Examples of points include thermostat temperatures in a localized space or a damper position on a terminal box in an office ceiling. Field panels contain the control units that operate the control devices in the field and communicate with the main control system. As such, these points and field panels must be properly maintained to ensure the efficient operation of the system. As the system has grown in size, complexity, and criticality, so has the staff's need for support due to the growth in volume of our passengers.

JUSTIFICATION

The objective of this request is to allow the Aviation Maintenance Department to continue to maintain the Siemens DDC System in an effective manner, ensuring the Airport continues to operate reliably and without interruption, provide smoke control and optimize levels for passenger comfort.

DETAILS

- The system monitors multiple functions throughout the airport via a variety of existing infrastructure and components such as fans, pumps, valves and temperature sensors throughout the terminal and air flow monitors.
- Examples of important systems monitored, controlled and maintained utilizing the DDC system include the Central Mechanical Plant (which provides nearly all heating and cooling for the facility), the Pre-Conditioned Air Plant (providing heating and cooling to aircraft), smoke control systems (part of our fire suppression system), and the domestic and fire suppression water system for the Airport.
- The recommended option places us at a price point comparable with other Siemens supported airports on a cost-per-monitoring-point basis.
- The current 5-year Service Agreement ends December 31, 2026.
- Three new major installations with included DDC systems, which increase the size of the system by approximately 50%, have come on-line since the last negotiated.

contract; IAF, North Star and CCE.

Scope of Work

There are multiple elements that collectively make up the scope of work of this service agreement. Those elements are summarized in the bullet points below:

- **Data Backup and Restoration Services:** Contractor will perform scheduled database backups of Port of Seattle workstation databases and graphics and/or field panel databases and provide safe storage of this critical business information.

- **Network Maintenance:** Using a combination of proprietary diagnostic technologies, digital meters, and network analysis software, the Contractor will analyze, optimize and report on the performance of the customer's systems networks a specified number of times per year. Proper network performance ensures the proper speed of communication and accuracy of control, alarming, and reporting across the facility. Using network diagnostic tools, proactive evaluation of the data network includes an analysis of bandwidth, disturbances, network traffic, communication over the network, and overall operation.

- **Field Panel Preventative Maintenance – Hardware:** Contractor will provide preventive maintenance in accordance with a program of routines as determined by their experience, equipment application, and location.

- **Field Panel Preventative Maintenance – Software:** Contractor will periodically perform system diagnostics and then take corrective actions to ensure that the Building Automation System is perform at peak efficiency or to the Port of Seattle's requirements. Contractor will make sure that software changes are clear and consistent, address any failed points, points in alarm, points in operator priority and take corrective action. Contractor will identify and correct software corruption and inconsistencies; eliminate duplicate points, redundant loops and causes unnecessary traffic; and address unresolved points and alarm reporting problems. This will ensure that the system operates quickly, accurately and efficiently as originally designed and installed or as determined by current standards or requirements.

- **Software Subscription Service – Desigo CC:** Contractor will provide software upgrades to existing Siemens Desigo CC software as they are released. These upgrades include both Service Releases and all New Version Releases of Software. Contractor will also provide corresponding support documentation outlining the features of the releases. Included will be training to help to familiarize the Port of Seattle's team with the new features along with their associated benefits.

- **Control Loop Tuning:** Contractor will ensure control loops for devices such as valves, dampers, actuators, etc., experience minimized overshooting and oscillatory behavior.

- **Customer Directed Support:** Contractor will provide a trained and experienced specialist or technician to support special projects to be performed during standard operating hours.

- **Operator Coaching:** Contractor will assist Port of Seattle's operators in identifying, verifying and resolving problems found in executing tasks. During the coaching sessions, Contractor can address logbook issues, assist operators in becoming more self-sufficient, and improve the skills of our operators to better meet the needs of the Port of Seattle's facility. Contractor will provide coaching during normal business days and hours, during scheduled visits.

- **Emergency response:** Contractor to provide system and software troubleshooting and diagnostics remotely to enable faster response to emergency service requests and to reduce the costs and disruptions of downtime. Contractor to respond within two (2) hours, seven days a week, 24 hours per day, 365 days per year, including holidays, upon receiving notification of an emergency.

- Contractor to provide on-site response to emergency service requests. Contractor to respond within four (4) hours, seven days a week, 24 hours per day, 365 days per year, including holidays, upon receiving notification of an emergency.

Schedule

New service contract is scheduled to be executed in Q4, once approved by Commission. The current agreement ends December 31, 2026.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Three different variations of the new service contract are proposed below.

Alternative 1) Procure a 1-year Contract

Cost Implications: Estimated $1,333,000 for 1 year.

Pros:

(1) Lowest cost option, providing required minimums for service levels.
(2) Fastest execution of new contract.
(3) Provides the Port with additional time to negotiate a longer-term contract.
(4) Only commits the Port to a short term.

Cons:

(1) Largest one-year increase in price due to highly volatile market demands and upward adjustment from previous 5-year contract term.
(2) Requires time and effort by Port staff to continue to negotiate service levels beyond a one-year contract.

This is not the recommended alternative.

Alternative 2) Procure a 10-year Contract

Cost Implications: Estimated $17,500,000 for 10 years.

Pros:

(1) Locks the Port into a contract for 10 years.
(2) Reduces negotiating time spent over the years with Contractor.
(3) Makes assumptions that the market is predictable with no added risk over time.

Cons:

(1) Costs are the greatest of these options.
(2) Contractor assumes worst-case scenario with negotiating therefore demands highest possible rates.
(3) Most challenging option to change paths as the market changes in supply and costs.

This is not the recommended alternative.

Alternative 3) Procure a 5-year Contract

Cost Implications: Estimated $10,800,000 for 5 years.

Pros:

(1) Service levels are most closely balanced and assessed by CPO and Contractor during a period of foreseeable known work.
(2) Consistent with prior DDC Contracts over the last two decades.
(3) This option guarantees a high level of proficiency and consistency over the term in operating the system and training for our own staff.
(4) Reduces Staff time in negotiating a new contract earlier than necessary.
(5) The cost of this option is middle of the road for required services.

Cons:

(1) During a time when the Port is experiencing a financial reevaluation of costs vs. revenues, this contract may be priced during a time of uncertainty.
(2) Only commits the Port to a 5-year contract to manage risk.

This IS the recommended alternative.

FINANCIAL IMPLICATIONS

The annual Aviation Maintenance expense budget already includes funding for this service agreement based on the current year's contract cost. The total contract reflects the significant growth of the system over the past five-year cycle and anticipated continued expansion, which will increase the Maintenance budget in subsequent years.

Annual Budget Status and Source of Funds

Contract payments are included as a specific line item in the Aviation Maintenance expense budget, account 64770.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

In 2011, 2016 and 2021 - The Commission authorized 5-year service agreements with Siemens for DDC system maintenance.