

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6c

ACTION ITEM

Date of Meeting January 8, 2013

DATE: December 27, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Wayne Grotheer, Director, Aviation Project Management Group
Wendy Reiter, Director, Aviation Security and Emergency Preparedness

SUBJECT: Security Exit Lane Breach Control-Phase 2 (CIP #C800605)

Amount of This Request: \$590,000 **Source of Funds:** Airport Development Fund

Est. State and Local Taxes: \$211,300 **Est. Construction Jobs Created:** N/A

Est. Total Project Cost: \$3,750,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to proceed with the design of the Security Exit Lane Breach Control-Phase 2 project at Seattle-Tacoma International Airport. This authorization is for \$590,000 and the total estimated project cost is \$3,750,000.

SYNOPSIS:

Security breaches can occur at terminal exits when people enter a secured area through an exit without passing through the security checkpoint. This project will mitigate the potential for a costly security breach by providing building and system modifications to accommodate new automated exit lane breach control equipment and emergency bypass lanes at four security exits in the Airport terminal. The security exits are currently staffed with guards at a significant recurrent cost. The technology installed as part of this project will reduce the security risk factor of Transportation Security Administration (TSA) personnel who can become distracted and inadvertently allow "unauthorized reverse flow."

This request is for preparing design documents under an indefinite delivery, indefinite quantity (IDIQ) contract, and using Port crews to support site investigation needed to develop the contract documents. In order to complete project implementation more quickly, the design of this Phase 2 project would be at risk, on the assumption that the pilot test project in Phase 1 will be successful.

This project is included in the 2013 – 2017 capital budget and plan of finance.

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BACKGROUND:

Exit lane breach control technology is new to the Airport and to the United States. These systems have been in use at European airports since 2001. A similar system has been successfully installed and is in use at Philadelphia. Sea-Tac would be among the first installations in this country, following the installation at Las Vegas in 2012. The project will reduce the risk of a security breach at the Airport. A security breach could require that all people inside the secure area be rescreened, which is very costly and disruptive to airline operations. The project will also increase overall security and redeploy guard staff to reduce ongoing costs. The system prevents people from making unauthorized reverse-flow entry through the exit. If a person approaches the exit lanes from the unsecure side, an automated annunciator will instruct them to stop. If the person proceeds further, an alarm will sound and the exit doors will lock, preventing them from entering.

On October 23, 2012, the Commission approved the Phase 1 of the Security Exit Lane Breach Control pilot project (C800218) at Concourse B Exit. This current request for the Phase 2 project is for the design work for four additional security exit locations in the Airport terminal. Those locations are: Concourse A Security Exit, Concourse C Security Exit, Satellite Transit System (STS) South Main Station and STS North Main Station. The Port, in partnership with local TSA representatives, will test this new technology at the Concourse B Security Exit (Phase 1 pilot project). If the testing is successful, staff will request Commission authorization for this Phase 2 project to execute a contract for the breach control equipment and to advertise for bids and award and execute a major construction contract. We are requesting Commission approval to proceed at risk with Phase 2 design on the assumption that the pilot test will be successful in order to complete project implementation more quickly. The equipment for the Phase 1 project was procured through a competitive process that was designed to allow the purchase of additional equipment for Phase 2.

PROJECT JUSTIFICATION:

Currently, the five security exits at the Airport are staffed with guards who prevent anyone from crossing these exits into the secure area without authorization. The current staffing situation causes an increased security risk when exit lanes are busy and the guard may become distracted. There have been incidents where "unauthorized reverse flow" has occurred, causing a shutdown in access to sterile areas and delays for passengers. These delays are costly for both the airlines and the passengers whose flights are delayed when there is a security breach. The use of proven technology reduces the risk and also allows reduced costs in the long term.

Staffing these lanes with guards is a significant recurrent cost. Technology-based security systems not only streamline processes, but significantly reduce operating costs. By deploying equipment, staff can be redeployed to tasks that require human interaction.

Technology that matches our needs has been successfully tested and deployed throughout European airports as a means to control exit-to-sterile-area access points.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

This project will purchase automated security exit lane breach control equipment, design the

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building and system modifications needed to accommodate the equipment and emergency bypass lane, and assemble the equipment and construct the bypass lane under a major construction contract. The equipment will create secure exit lanes, utilizing partitions, doors, sensors, and alarms. It will automatically detect and prevent the backflow of people and objects through the exit lane from the non-secure to the secure side of the Airport terminal building.

Schedule:

The project schedule is as follows:

- Request Commission Authorization for Design January 2013
- Design February-May 2013
- Equipment Testing Completed for Phase 1 Pilot Project June 2013
- Request Comm. Auth. for Equipment Purchase & Construction June 2013
- Execute Equipment Purchase Contract June 2013
- Advertise Construction Contract for Bid June 2013
- Construction October 2013-March 2014

FINANCIAL IMPLICATIONS:

<i>Budget/Authorization Summary:</i>	Capital	Expense	Total Project
Original Budget	\$3,500,000	\$0	\$3,500,000
Budget Increase (Decrease)	\$250,000	\$0	\$250,000
Revised Budget	\$3,750,000	\$0	\$3,750,000
Previous Authorizations	\$60,000	\$0	\$60,000
Current request for authorization	\$590,000	\$0	\$590,000
Total Authorizations, including this request	\$650,000	\$0	\$650,000
Remaining budget to be authorized	\$3,100,000	\$0	\$3,100,000

The original project budget was based on an estimated cost of the new technology purchase and installation. After completion of the competitive request for proposals (RFP) process, the actual equipment cost became known and the estimate was updated. The budget was then increased for the higher cost estimate. Staff authorized the initial \$60,000 for preliminary planning consistent with the delegation of authority under Resolution No. 3605, as amended.

<i>Project Cost Breakdown</i>	This Request	Total Project
Construction costs	\$0	\$1,328,600
Port Purchased Equipment	\$0	\$828,000
Sales tax	\$0	\$211,300
Design services	\$490,000	\$490,000
Aviation PMG and other soft costs	\$100,000	\$892,100
Total	\$590,000	\$3,750,000

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Budget Status and Source of Funds

This project (CIP #C800605) was included in the 2013-2017 capital budget and plan of finance as a business plan prospective project. The funding source will be the Airport Development Fund.

Financial Analysis and Summary

CIP Category	Compliance
Project Type	Health, Safety and Security
Risk adjusted Discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$3,750,000
Business Unit (BU)	Airfield
Effect on business performance	NOI after depreciation will increase.
IRR/NPV	N/A
CPE Impact	CPE will increase by less than \$.02 in 2015, but no change to business plan forecast as this project was included.

Lifecycle Cost and Savings:

There will be annual operating and maintenance cost increases to maintain the new system and a reduction in the ongoing operating and maintenance costs for the existing portal backflow detector that is near the end of its useful life and will be removed.

The annual costs of staffing an exit are approximately half the cost of the capital costs, suggesting a payback within a 2-3 year period. For this project, the savings would be realized by TSA.

STRATEGIC OBJECTIVES:

The project will support the strategic objective of the Airport being a leader in transportation security by installing and testing a new security exit breach control system at the Airport. The project ensures Airport vitality by providing enhanced security at security exit points, which benefits our passengers and airline partners.

BUSINESS PLAN OBJECTIVES:

This project supports the Airport's strategic goal of operating a world-class international airport by ensuring safe and secure operations through enhanced security.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Port design of the entire automated exit lane system instead of purchasing readily-available manufactured equipment. This would not allow for cost-effective implementation of security exit breach controls. This is not the recommended alternative.

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Alternative 2: Wait until the Phase 1 pilot project testing is completed before starting design of the Phase 2 project. This would not allow for the timely implementation of security exit breach controls. This is not the recommended alternative.

Alternative 3: (Do Nothing): This results in continued operation with the current security risk factor and annual staffing costs. This is not the recommended alternative.

Alternative 4: Proceed now with Phase 2 design to provide automated exit lane equipment and the emergency bypass lanes at the four airport terminal security exits. **This is the recommended alternative.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Security Exit Location Diagram

Typical Security Exit Lane Diagram

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

On October 23, 2012, the Port Commission authorized the design of building modifications to accommodate exit lane breach control equipment, and to use Port crews for construction of the Security Exit Lane Breach Control-Phase 1 project (C800218) at Seattle-Tacoma International Airport. That authorization was for \$850,000 of a total estimated project cost of \$950,000.