

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 5b
Date of Meeting April 2, 2013

DATE: March 21, 2013

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 1 (CIP #C800218)

Amount of This Request: \$360,000 **Source of Funds:** Airport Development Fund

Est. State and Local Taxes: \$76,800 **Est. Construction Jobs Created:** 21

Est. Total Project Cost: \$1,310,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to expand the scope of the project to add a new exit lane and associated mechanical and electrical work and increase the project budget by \$360,000 for a total estimated project cost of \$1,310,000 for the Security Exit Lane Breach Control-Phase 1 project at Seattle-Tacoma International Airport.

SYNOPSIS:

This project will reduce the risk of a security breach at the Airport and was included in the 2013-2017 capital budget and plan of finance with a budget of \$950,000. The \$360,000 budget increase is due to significant unanticipated changes in scope/cost, including a new exit lane, price increases and expanded mechanical and electrical work. There was a security breach at the Airport Concourse B Exit on March 19, 2013 that was the result of human error. The guard was distracted and an unauthorized person walked right through from the non-secure to the secure side. Thousands of passengers had to be evacuated from the terminal at great cost. Passengers had to be re-screened and flights were delayed. If the technology to be utilized in this project had already been completed, the breach would not have occurred because the exit lane equipment automatically prevents unauthorized entry with two sets of security doors, automatic sensors, alarms and enhanced security cameras. Details follow in Project Scope of Work section.

BACKGROUND:

The project will reduce the risk of a security breach at the Airport. A security breach could require that all people inside the sterile 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.

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. This project introduces automated

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security exit breach control equipment to the Concourse B security exit. Once this installation has been tested and approved a second phase will be sought to install this equipment at the remaining security exits.

As the Concourse B project design was developed, it was anticipated that the exit lane devices would accommodate emergency conditions in their functioning and that this would satisfy any building code issues regarding their deployment. When the exit lane devices were procured, the vendor was required to provide emergency egress functioning. However, after review with the Port Building and Fire Departments, we have now determined that the addition of these lanes in the Concourse B security exit now requires the construction of an additional emergency egress pathway around this exit.

Adjacent to the Concourse B security exit is a vending alcove and service animal relief station. On the other side of the security wall is an information desk. By relocating the information desk and installing emergency exit use doors, the project can satisfy the building code requirements. The functioning of the vending alcove and service animal area will remain as they do not impede the egress pathway.

As the aviation business climate increases the need for finding smarter and more economical solutions, 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:

Significant unanticipated changes in scope include the following:

- A new emergency exit lane through the existing vending machine area and customer service desk.
- An increase in the purchase price of breach control exiting equipment.
- Additional mechanical/electrical/fire-sprinklering work in the ceiling.

Schedule:

The project schedule has been delayed by one month and remaining tasks are as follows:

- Design November 2012-March 2013
- Delivery of Equipment April 2013
- Construction by Port Crews April-May 2013
- Complete First 30 Days of Testing Installed Equipment June 2013

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FINANCIAL IMPLICATIONS:

<i>Budget/Authorization Summary:</i>	Capital	Expense	Total Project
Original Budget	\$1,000,000	\$0	\$1,000,000
Budget Increase	\$ 310,000	\$0	\$ 310,000
Revised Budget	\$1,310,000	\$0	\$1,310,000
Previous Authorizations	\$ 950,000	\$0	\$ 100,000
Current request for authorization	\$ 360,000	\$0	\$1,310,000
Total Authorizations, including this request	\$1,310,000	\$0	\$1,310,000
Remaining budget to be authorized	\$ 0	\$0	\$ 0

<i>Project Cost Breakdown</i>	This Request	Total Project
Construction costs	\$ 184,000	\$ 538,200
Port Purchased Equipment	\$ 67,000	\$ 255,000
Sales tax	\$ 25,300	\$ 76,800
Design services	\$ 29,800	\$ 175,400
Aviation PMG and other soft costs	\$ 53,900	\$ 264,600
Total	\$ 360,000	\$1,310,000

Budget Status and Source of Funds

This project (CIP #C800218) was included in the 2013-2017 capital budget and plan of finance with a budget of \$950,000. A budget transfer of \$360,000 from C800404 Aeronautical Allowance will result in no net change to the Aviation capital budget. The funding source will be the Airport Development Fund. Implementing this project will require training of security, operations and maintenance staff on the new equipment. This cost is estimated at \$10,000 and is included in the 2013 operating budget.

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	\$1,310,000 Capital, \$10,000 Expense
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 \$.01 in 2014, but no change to business plan forecast as this project was included.

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Lifecycle Cost and Savings (No change from previous Commission memo):

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 the Transportation Security Administration.

STRATEGIC OBJECTIVES:

The project supports the Century Agenda goal of meeting the regions air transportation needs at Sea-Tac for the next 25 years. The project provides enhanced security at security exit points, which benefits our passengers and airline partners, and minimizes the chance of a breach .

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: Reject the added scope and instead widen the exit lane. This results in demolition of an existing restaurant concession space and the additional cost would be significantly greater than the recommended alternative. This is not the recommended alternative.

Alternative 2: Reject the added scope and instead complete the project with the original scope and budget. This results in an extremely difficult permitting process and would delay implementation of the project. This is not the recommended alternative.

Alternative 3: Increase the budget by \$360,000 for the added scope. **This is the recommended alternative.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Concourse B Security Exit Location Diagram

Concourse B Security Exit Lane Diagram

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

On January 8, 2013, the Port Commission authorized design of the Security Exit Lane Breach Control-Phase 2 project at Seattle-Tacoma International Airport. That authorization was for \$850,000 of a total estimated project cost is \$3,750,000.

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.