

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 5d
Date of Meeting April 23, 2013

DATE: April 15, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Jim Witzman, Manager, Airport Operations Passenger Experience
Wayne Grotheer, Director, Aviation Project Management Group
SUBJECT: Laptop Power in the Concourses project at Seattle-Tacoma International Airport (CIP #C800484).

Amount of This Request: \$1,667,500 **Source of Funds:** Airport Development Fund
Est. State and Local Taxes: \$115,000 **Est. Jobs Created:** 20
Est. Total Project Cost: \$2,070,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to advertise and execute a major construction contract for the Laptop Power in the Concourses project at Seattle-Tacoma International Airport. This authorization is for \$1,667,500 out of a total estimated project cost of \$2,070,000.

SYNOPSIS:

The project team has completed design for a capital construction project that will address the traveling public's increasing needs for electrical outlets to charge personal electronic devices at gate holdrooms and other strategic locations in the main terminal. Seattle-Tacoma International Airport has earned praise from passengers for providing free Wi-Fi, but this has driven the need for even more electrical outlets as travelers take advantage of this amenity.

This project adds over 650 new electrical outlets to the Airport in Concourse A holdrooms, Concourse B holdrooms, South Satellite holdrooms, Bag Claim, and in the ticketing level waiting area opposite the Concourse B exit. Electrical usage anticipated for charging personal electronic devices is minimal. Eight iPads can be charged for an hour for the same power needed to run a single 100-watt lightbulb for that same hour. About 100 iPads can be charged for an hour on a single kilowatt of power. The Port's current wholesale power rate is less than \$0.04 per kilowatt. Travelers will be able to use the outlets for free.

Outlets will be installed in stand-alone casework that will be provided as part of this project and on existing gate holdroom seating and furnishings, depending on the specific location. Electrical outlets for the North Satellite, Concourse C and Concourse D are being addressed by separate projects. This project was included in the 2013 – 2017 capital budget and plan of finance.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

April 15, 2013

Page 2 of 5

BACKGROUND:

One of the Port's stated purposes of the Airport is to provide an extraordinary customer experience. Additionally, strategic goals address both operating a world class airport by anticipating the needs of our customers and becoming one of the top ten airports in the world by 2015 (as measured by the Airports Council International Airport Service Quality index, or "ASQ").

Today, most passengers (85%) carry one or more Internet-capable devices and access our free Wi-Fi. Customer feedback from the Airport Operations Comment Tracking System (CTS), ASQ and additional surveys tells us that ample charging for personal electronics in the gate holdrooms is very important to the traveling public and expected to grow rapidly in the future. Additionally, the ASQ survey ranks comfort in the holdrooms and Wi-Fi service as number five and number six in the top ten most important items to passengers at the Airport. The addition of power in the holdrooms became increasingly more sought after once the Airport transitioned from paid to free Wi-Fi. This project is one way the Port can improve the customer experience to help the Airport achieve world-class status.

PROJECT JUSTIFICATION:

The use of laptops, tablets, smart phones, and iPads by passengers waiting in holdrooms continues to increase. However, in much of the Airport, only building-code-required convenience wall outlets are available (those also used by the custodians) to charge them. Airline customers increasingly need more available electrical power to recharge electronic devices. Currently, customers are forced to sit in food concessions seating on the floor in concourse circulation corridors, and against walls and columns adjacent to tenant office space to plug into electrical power. Most of these areas do not include seating, as space is limited and was never intended for passenger use. As a result, many holdrooms have become a maze of trip hazards during busy peak departure times as passengers' legs and feet extend into areas designed for circulation.

This project seeks to accomplish the following objectives:

- Improve the customer experience in pursuit of our strategic goals.
- Eliminate the perception that the Airport is "behind the times" when it comes to supporting personal electronics use in the terminal.
- Add functionality to strategic locations in the terminal, such as gate holdrooms and meeter-greeter waiting areas.
- Reduce customer complaints about lack of locations for charging personal electronics.
- Increase passenger safety in holdrooms during peak departure times.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

The physical elements of the project include electrical infrastructure and new electrical outlets for personal electronics charging in the terminal buildings. These outlets will be installed in laptop charging casework that will be provided as part of this project and on existing gate holdroom seating and furnishings, depending on the specific location.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

April 15, 2013

Page 3 of 5

In general, the scope of work includes:

- Replacement of damaged wood tabletops with new solid surface tabletops at existing stand-up table locations on Concourse A.
- The addition of electrical infrastructure and outlets to the existing stand-up table locations on Concourse A.
- The addition of ADA compliant wheelchair accessible charging outlets at the repurposed payphone stations on Concourse A.
- New personal electronics charging stations and under-seat electrical outlets for eight gates on Concourse B.
- New personal electronics charging stations for twelve gates at the South Satellite and under-seat electrical outlets for six gates.
- One new personal electronics charging station located at the Concourse B exit, prior to the security checkpoint.
- Two new personal electronics charging stations located in the Bag Claim area.

This project does not include new personal electronics charging opportunities in Concourse C or the North Satellite because Alaska Airlines is providing charging opportunities via a tenant project. This project does not include additional charging opportunities in Concourse D because personal electronics charging is already included in the Concourse D Common Use Environment project currently in construction.

Under-seat charging outlets are being provided utilizing expense funds.

Schedule:

Design completion: April 2013
Bid opening: May 2013
Construction begins: August 2013
Construction completion: December 2013

FINANCIAL IMPLICATIONS:

<i>Budget/Authorization Summary:</i>	Capital	Expense	Total Project
Original Budget	\$3,000,000	\$0	\$3,000,000
Budget Adjustment	(\$980,000)	\$50,000	(\$930,000)
Revised Budget	\$2,020,000	\$50,000	\$2,070,000
Previous Authorizations	\$402,500	\$0	\$402,500
Current request for authorization	\$1,617,500	\$50,000	\$1,667,500
Total Authorizations, including this request	\$2,020,000	\$50,000	\$2,070,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$2,020,000	\$50,000	\$2,070,000

<i>Project Cost Breakdown:</i>	This Request	Total Project
Construction	\$1,328,000	\$1,328,000
Construction Management	\$110,000	\$220,000
Design	\$0	\$186,000
Project Management	\$100,000	\$200,000
Permitting	\$6,500	\$13,000

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

April 15, 2013

Page 4 of 5

State & Local Taxes (estimated)	\$115,000	\$115,000
Art Program	\$8,000	\$8,000
Total	\$1,667,500	\$2,070,000

Budget Status and Source of Funds:

This project is included in the 2013-2017 capital budget and plan of finance within CIP #800484 with an updated capital budget of \$2,020,000 and expenses of \$50,000 for a total of \$2,070,000.

Financial Analysis and Summary:

CIP Category	Renewal/Replacement
Project Type	Customer Service
Risk adjusted discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$2,070,000
Business Unit (BU)	Terminal
Effect on business performance	NOI after depreciation will increase
IRR/NPV	N/A
CPE Impact	\$.01 in 2014; no change compared to business plan forecast as this project was included.

Lifecycle Cost and Savings:

Maintenance will require an annual budget of \$2,500 for parts with an escalation of 3% per year. Additional Maintenance labor associated with this project would be minimal (about 1 hour/year) and can be absorbed in their existing budget.

STRATEGIC OBJECTIVES:

This project supports the Century Agenda strategy to advance this region as a leading tourism destination and business gateway by accommodating the needs of passengers using the Airport.

Today most of the Airport's customers travel with at least one mobile device (cell phone, laptop, MP3 player and/or another handheld device) and passengers are increasingly surfing the web, checking email, watching movies and television shows, listening to music, and talking on cell phones as they wait to board their flights. Years ago, when our facilities were constructed, and even as recently as ten years ago, this was not the case. Installing Wi-Fi demonstrated the Port's commitment to technology, but now the lack of power for devices that use our Wi-Fi has resulted in more negative comments from our customers. Passenger surveys tell us we've failed to keep up with our customers' needs. Installation of additional electrical outlets in strategic locations throughout the terminal is the next step in the technical evolution of our facility and proves that we highly value our customers' experience as we strive to become one of the top 10 customer service airports in the world by 2015.

BUSINESS PLAN OBJECTIVES:

This project directly supports the Airport's strategic goal to become one of the top ten customer service airports in the world by 2015 by providing a much needed customer amenity.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

April 15, 2013

Page 5 of 5

TRIPLE BOTTOM LINE SUMMARY:

This project improves an existing Port asset by adding personal electronics charging opportunities at strategic locations for all passengers, including those that are wheelchair bound, throughout the existing terminal buildings. Charging opportunities are being added without an expensive and environmentally impactful expansion of hold room footprints. Improving customer service for travelers supports the Port's goal of increasing the Airport's ranking and score in the ACI ASQ survey and is consistent with current business plan objectives.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Do nothing. Customers will continue to rely on existing electrical outlets wherever they can be currently found. Congestion and tripping hazards will continue to exist, and are likely to escalate, in the gate holdrooms and circulation corridors. This option is not recommended because it does not address the expressed needs of our passengers.

Alternative 2: Install additional personal electronics charging outlets in all gate holdrooms in all concourses irrespective of lease status, current availability of charging outlets, holdroom size or future tenant project potential. This option is not recommended because it would provide more electronics charging outlets than we necessarily need or could reasonably install and does not address existing or future proprietary charging solutions provided by the Port or our airline tenants.

Alternative 3: Install additional personal electronics charging outlets in currently underserved gate holdrooms and meeter-greeter waiting areas only. This is the preferred solution because it addresses the needs of our passengers, but recognizes that a customized approach is necessary due to existing Port and tenant charging solutions already in place or included in future tenant projects. **This is the recommended alternative.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

- June 26, 2012 – design authorized for Laptop Charging in the Concourses project.