

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4d
Date of Meeting September 30, 2014

DATE: September 22, 2014
TO: Tay Yoshitani, Chief Executive Officer
FROM: Wendy Reiter, Director, Security and Emergency Preparedness
Wayne Grotheer, Director, Aviation Project Management Group
SUBJECT: Known Crew Member Employee Bypass Project (CIP #C800576)

Amount of This Request: \$130,000 **Source of Funds:** Airport Development Fund
Est. Total Project Cost: \$780,000
Est. State and Local Taxes: \$31,000

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to increase the project budget for the Known Crew Member Employee Bypass at Seattle-Tacoma International Airport by \$130,000 for a new total estimated project cost of \$780,000.

SYNOPSIS

Known Crew Member (KCM) is a Transportation Security Administration (TSA) program that allows properly credentialed pilots and flight attendants to bypass the security checkpoints at the Airport. TSA adopted this program with the cooperation of the airlines in order to reduce demand on the security checkpoints. This project constructed KCM doors and will install Employee Bypass portals at the north and south ends of the Airport main terminal to reduce the demand on the Airport's security checkpoints. KCM locations were completed at the end of 2013.

This project separately procured employee bypass portals. Before the portals could be delivered the selected vendor went out of business and the Port re-bid the employee portals. While the new portals were close in cost to the previous portals, the new configuration and layout required additional design to accommodate these differences. This has delayed the project completion and has added additional cost for design and construction now beyond the project budget.

BACKGROUND

As a part of the Known Crew Member Bypass project, the Port provided new doors for this program. This program is working effectively and has met the project objectives of reducing security exit and checkpoint congestion. It has also reduced the visibility of the KCM points of entry.

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In addition, this project will further mitigate the impact to security checkpoints by providing employee bypass portals. These portals will allow properly badged Airport employees to bypass security. The portals will only allow one user to enter at a time and escorting of non-badged personnel will not be allowed. Two portals will be installed, one north and one south in the main terminal building.

In April 2013 the Port issued a request for proposals (RFP) for employee bypass portals. After evaluating the submissions, the Port awarded a purchase contract in June 2013. The vendor committed to delivery of the portals in September 2013; however, the company failed to deliver the products and went out of business. A new procurement was completed in March 2014 and a new vendor has been selected. This vendor has committed to delivering this product in October 2014.

PROJECT JUSTIFICATION AND DETAILS

This project will improve the security of the security exits and checkpoints by moving demand for security bypass to alternative locations in the main terminal. It also significantly increases the safety of employees transiting from public areas to sterile areas for work purposes by providing an alternative to walking through vehicular traffic in the baggage and ramp areas unnecessarily.

Project Objectives

- Reduce security exit and checkpoint congestion.
- Control access and avoid inappropriate passage to others, also known as piggybacking.
- Relieve security risks.

Scope of Work

Revise the designs for the originally procured portals to adjust for the new portals. The new portals are different in size and shape and have different communication needs. This will require some additions to utilities.

The employee bypass portals will include automated entry doors to regulate their use. The remote location will help secure the area from unauthorized people trying to use the bypass portals and reduce concern from the public as to why some people are not being screened at the checkpoints.

Schedule

Complete Design	September 2014
Start Construction	October 2014
Complete Construction	November 2014

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FINANCIAL IMPLICATIONS

<i>Budget/Authorization Summary</i>	Capital	Expense	Total Project
Original Budget	\$650,000	\$0	\$650,000
Budget Increase	\$130,000	\$0	\$130,000
Revised Budget	\$780,000	\$0	\$780,000
Previous Authorizations	\$650,000	\$0	\$650,000
Current request for authorization	\$130,000	\$0	\$130,000
Total Authorizations, including this request	\$780,000	\$0	\$780,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$780,000	\$0	\$780,000

<i>Project Cost Breakdown</i>	This Request	Total Project
Construction Phase	\$95,500	\$576,000
Design Phase	\$30,000	\$173,000
State & Local Taxes (estimated)	\$4,500	\$31,000
Total	\$130,000	\$780,000

Budget Status and Source of Funds

This project, CIP #C800576, was included in the 2014-2018 Capital Budget and Plan of Finance as a business plan prospective project with a budget of \$650,000. The budget increase of \$130,000 was transferred from CIP #C800404, Aeronautical Allowance, resulting in no net change to the 2014-2018 capital budget. The funding source is the Airport Development Fund.

Financial Analysis and Summary

CIP Category	Renewal/Enhancement
Project Type	Renewal and Replacement
Risk adjusted discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$780,000
Business Unit (BU)	Terminal
Effect on business performance	NOI after depreciation will increase
IRR/NPV	N/A
CPE Impact	CPE will increase less than \$0.01 in 2014, but no change to the business plan forecast as this project was included.

Lifecycle Cost and Savings

Annual Operating and Maintenance Costs are estimated at \$4,300 a year.

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STRATEGIES AND OBJECTIVES

This project promotes the Port's Century Agenda Strategy to "advance this region as a leading tourism destination and business gateway" by "meet(ing) the region's air transportation needs at Sea-Tac Airport" by effective use of security checkpoints.

This project also supports the Aviation Division's strategic goal to operate a world-class international Airport by ensuring safe and secure operation through minimizing impacts to airport security.

TRIPLE BOTTOM LINE SUMMARY

This project will help the environment by considering energy reduction and sustainability as part of design. It will help the Airport and the community by improving security and reducing congestion at the security checkpoints and exits.

Small Business Participation

The project manager will coordinate with the Office of Social Responsibility to determine small business opportunities.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Do nothing. Stop the project. The cost of design, procurement and site preparation for the first and second portal would be expensed. The impact to the security checkpoints would not be mitigated. This is not the recommended alternative.

Alternative 2) – Only install one portal. This alternative would improve the situation at one end of the terminal but not the other. This is not the recommended alternative.

Alternative 3) – Complete the installation of both portals. This will help decrease the load and security risk at the checkpoints at both ends of the terminal. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- December 11, 2012 – the Commission authorized design and construction of Known Crew Member and Employee Bypass at the Airport for a total project cost of \$650,000.