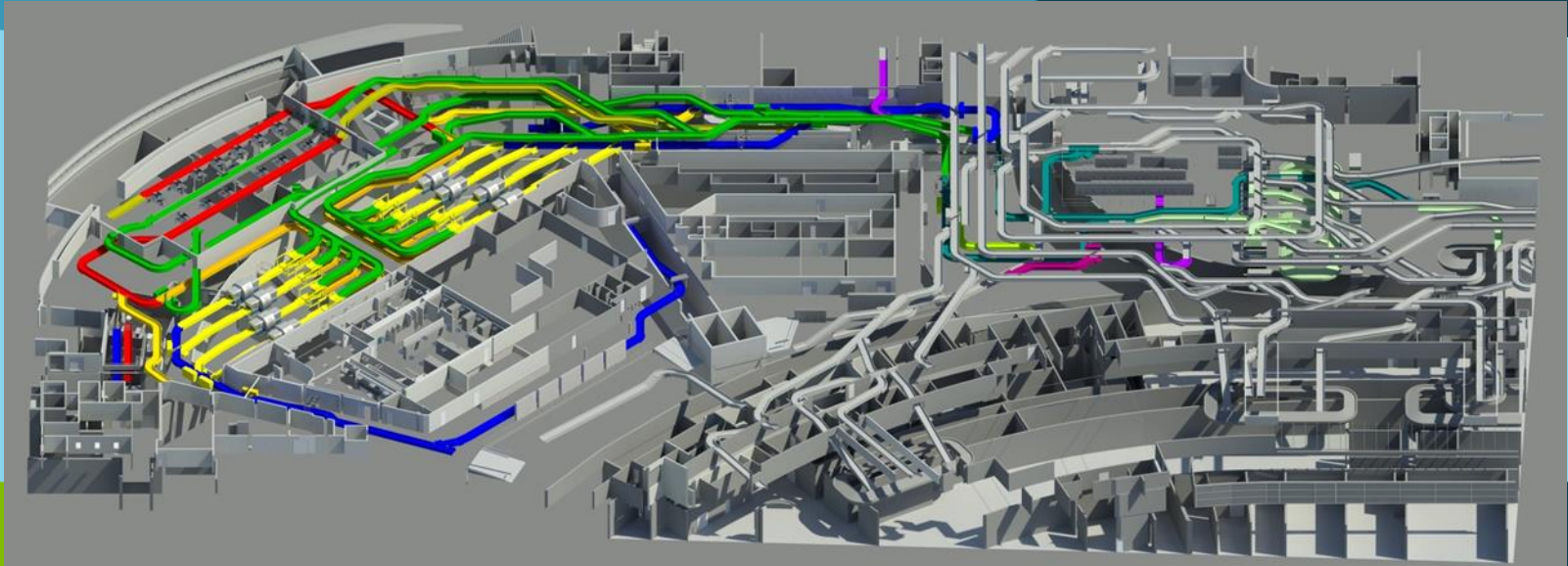


Baggage Optimization Update

May 17th, 2016

Baggage Optimization



Baggage Optimization Scope

What is in scope.

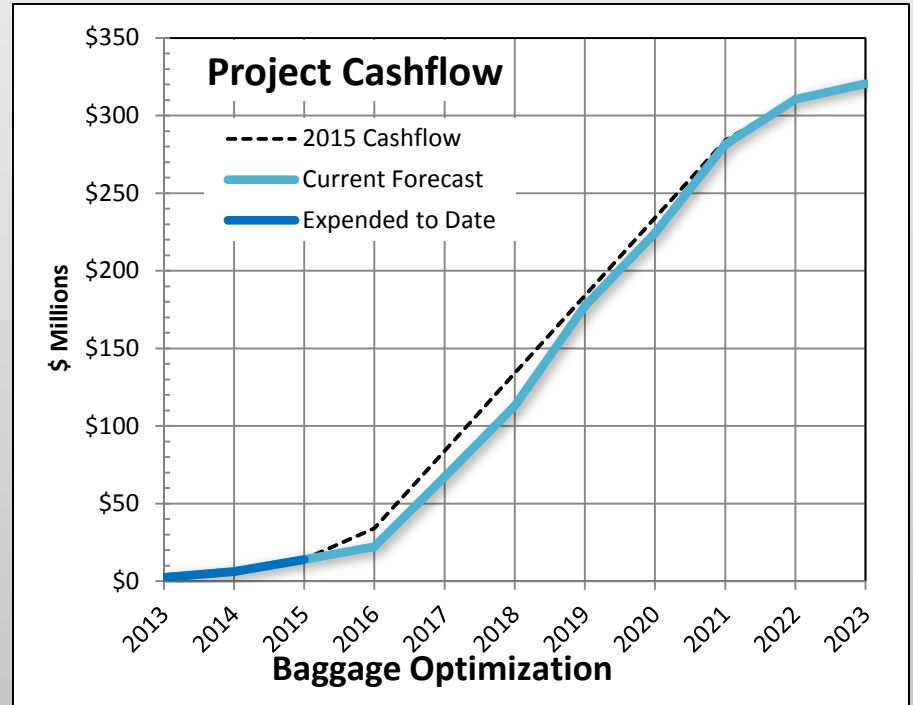
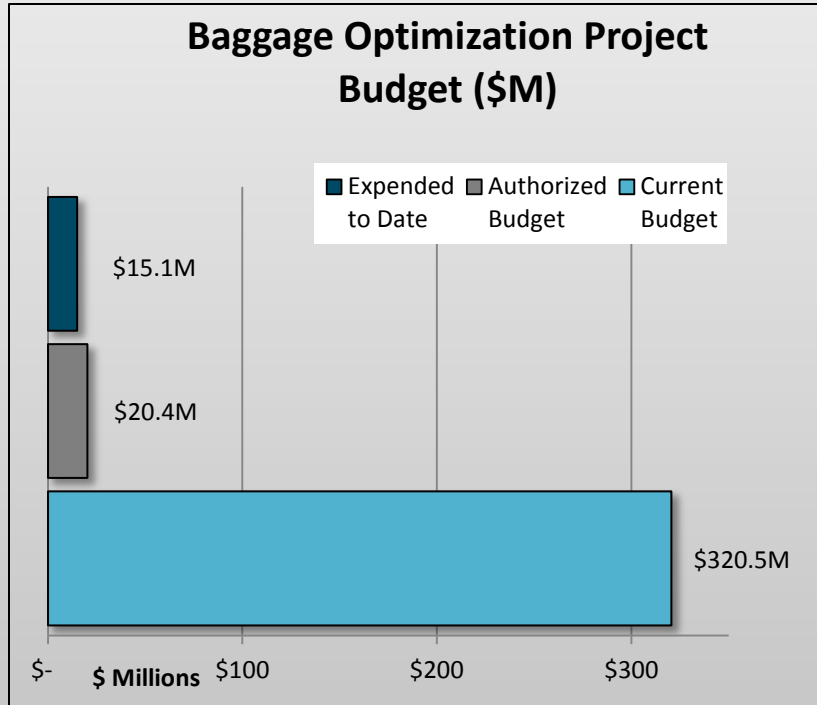
- Capacity up to 45 MAP
- Any bag anywhere
- Centralized screening
- Updated EDS Machine Technology
- Net gain of 3 new makeup devices

What is not in scope.

- Baggage Claim
- Interim Baggage Projects
- Capacity beyond 45 MAP
- Early bag storage
- Self-bag drop
- RFID
- Interim and Future Baggage Studies

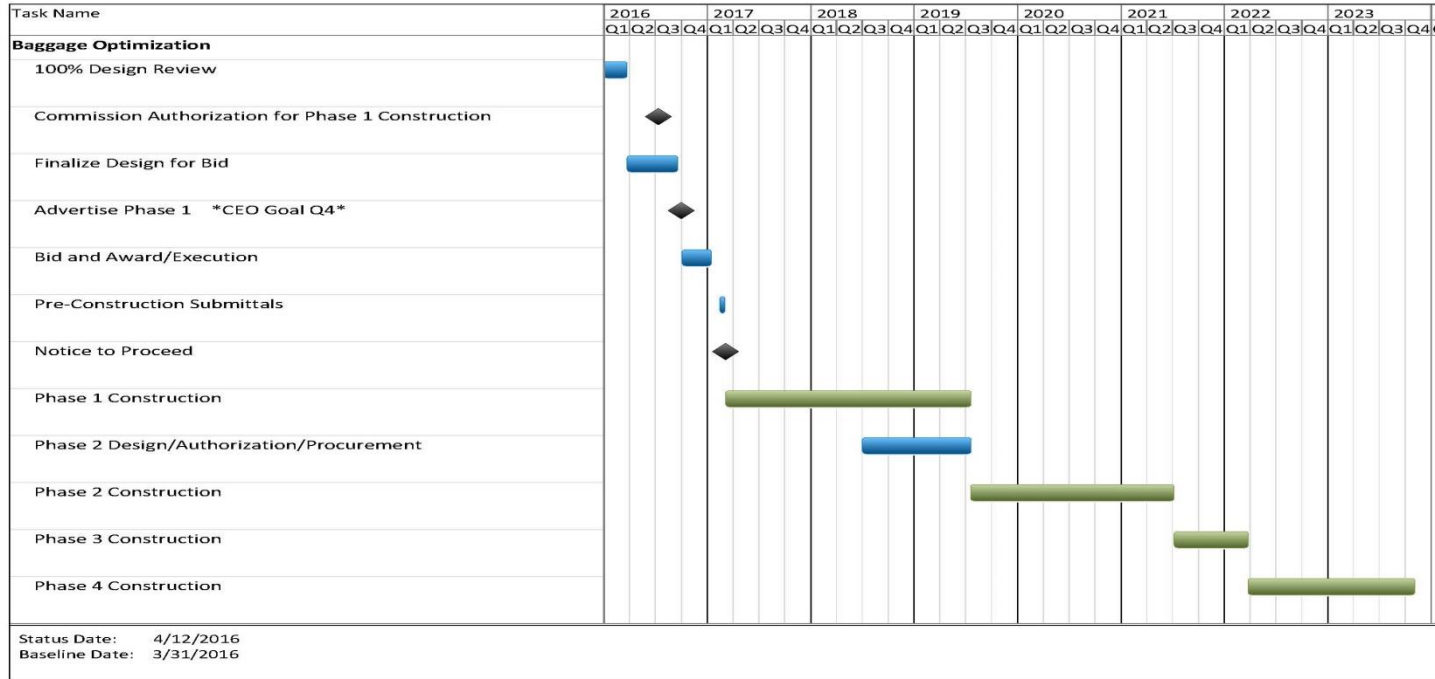
Baggage Optimization increases Outbound Baggage Capacity to 45 MAP.

Optimization Dashboard



Project Budget and Cashflow: Project Spending to Date

Optimization Schedule



Project Milestone Schedule: Baselined 2015 (70% Design)

Optimization Q1 Accomplishments

- 100% Comprehensive Design Submittal
- Design Review
 - TSA, Internal Port Review, Airport Building Department, Airline Technical Representatives, Airlines

All Quarter 1 Milestones were completed on-time (per 2015 baseline) and on-budget.

Critical Issues

- Need to set capacity limit of optimized system based on SAMP timing and capacity decisions
- Maintain 24/7 Operations during construction
- Standardization of equipment components through phasing
- Keeping existing system functional through Optimization Completion

Proactive efforts are underway with all stakeholders.

Current Interim Project

- Hot Project: Commission approval for construction January 12, 2016
 - Baggage Input Load Balancing (\$970K): in construction
 - Security Zone Tracking Enhancements (\$5.2M): in construction
 - Clear Bag Reconciliation Scanners (\$300K): On Hold per TSA
 - TSA Search Room Expansion (\$7.73M): Near 100% Design
- Planning in process to determine need for additional projects

Will be included in Baggage Program Commission Briefing in June 2016

Optimization Risks

Risk	Mitigation Plan	Impact to Budget/Schedule
Contractor Interest	<ul style="list-style-type: none">• Contract Information Session Held in 2015• Hold additional Contractor Information Session in May• Adjust size of phased packages	Low competition will increase costs
Seattle Labor Market Shortage	Contractor will need to bring labor from other areas to complete project	<ul style="list-style-type: none">• Increased budget• Increase schedule duration• Poor project quality
Unqualified Contractors May Bid on Project	Include Supplemental Bidding Criteria	<ul style="list-style-type: none">• Poor quality project• Increase schedule duration• Increased budget

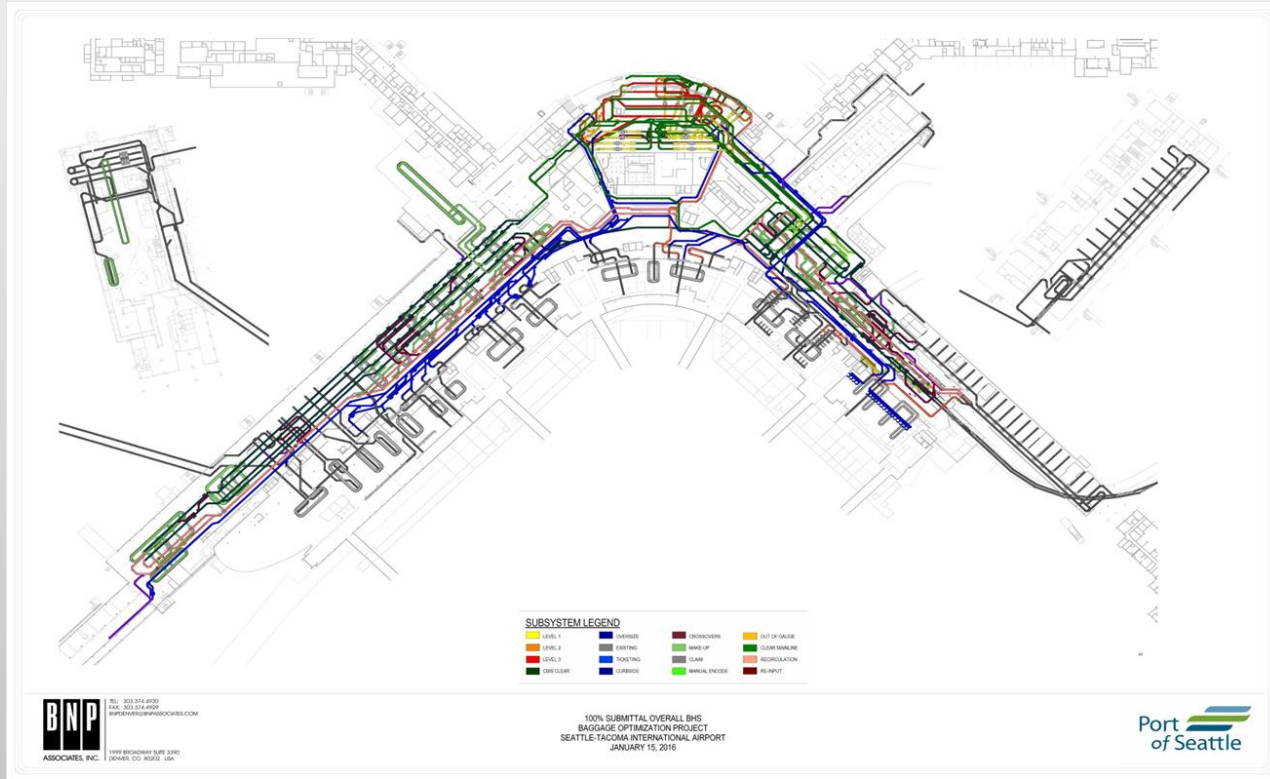
Risk Impact Matrix

Upcoming Milestones

- Phase 1 construction document package submittal: June, 2016
- Baggage Program Briefing June 28, 2016
- Commission Authorization for Phase 1 Construction July 12, 2016
- Advertise for Phase 1 bid: Q4, 2016
- Phase 1 NTP: Q2, 2017

Phase 1 Construction Begins Q2 2017

Questions?



Optimized Baggage System