



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4d

ACTION ITEM

Date of Meeting March 28, 2017

DATE: March 20, 2017

TO: Dave Soike, Interim Chief Executive Officer

FROM: Wayne Grotheer, Director, Aviation Project Management Group
Wendy Reiter, Director, Aviation Security, Airfield Security

SUBJECT: Employee Security Screening Phase 1 (CIP #C800880)

Amount of this request: \$850,000

Total estimated project cost: \$3,500,000

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to (1) proceed with design for a third screening room, (2) execute a contract to purchase security equipment, and (3) use Port crews to complete the construction of three employee screening rooms at Seattle-Tacoma International Airport. This single design and construction authorization is for \$850,000 of a total estimated project cost of \$3,500,000.

EXECUTIVE SUMMARY

This authorization will add scope to Phase 1 of the Employee Security Screening project. Specifically, this request will complete both employee screening rooms, add safety improvements on the secure side of the screening rooms, design and construct a third employee screening room to the north, and procure equipment for that new room. The initial authorization in September 2016 was to build out of the south employee screening room and procure security equipment for that room and a central employee screening room that had been previously prepared for airline use. Remaining Phase 1 work includes improvements and additions to airport employee portals. Phase 2 will include security improvements to facilitate employee screening at airfield access points. Both will come forward as a future request.

JUSTIFICATION

This action satisfies the business plan to adjust security operations and invest in new facilities to remain in compliance with evolving federal directives and TSA requirements related to employee screening. Changes in federal security requirements, resulting from recent events at other airports, will require increased attention to employee screening and, over time, may lead to 100% employee screening.

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DETAILS

This action will enable the existing employee screening rooms to be completed with all of the needed safety and security features. The south room needs additional access control and data equipment modifications. The central room requires Port camera coverage along with data network connectivity once the airline has relinquished its use. A third screening room to the north will allow employees working in the north half of the Airport to be screened at that location rather than walking south for screening and back to reach their jobs. This project will also test equipment with new technology for employee screening at the north employee screening room. Should this test prove successful, additional equipment would be procured as part of a later phase.

Scope of Work

This project will provide equipment and space for additional screening capability.

This phase will complete the build out of three employee screening rooms in the main terminal of the Airport:

- (1) Install additional electrical power, data communications, access control improvements and cameras to two existing screening rooms.
- (2) Install additional safety improvements for the secure side (i.e., bagwell side) of each of three screening rooms.
- (3) Design and construct a third screening room to the north by remodeling an existing airline baggage service office. Relocate airline baggage service functions in order to prepare the space.
- (4) Purchase screening equipment for the north screening room. As part of this purchase, test a new piece of security equipment.

Schedule

Activity

Commission authorization	2017 Quarter 1
Construction start	2017 Quarter 2
In-use date	2017 Quarter 3

Cost Breakdown Phase 1

	This Request	Total Phase 1
Design	\$143,000	\$253,000
Procurement	\$207,000	\$807,000
Construction	\$500,000	\$790,000
Total	\$850,000	\$1,850,000

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Cost Breakdown Phase 2

This Request

Total Phase 1

	This Request	Total Phase 1
Design	\$0	\$250,000
Procurement	\$0	\$400,000
Construction	\$0	\$1,000,000
Total	\$0	\$1,650,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not complete phase 1 of the Employee Security Screening.

Cost Implications: \$150,000 return cost for equipment purchased earlier but now not used.

Pros:

- (1) No additional infrastructure required
- (2) No additional equipment procurement
- (3) No additional construction

Cons:

- (1) One airline would continue to screen its own employees
- (2) Employees at the north end of the airport would travel south for screening
- (3) All airport employees except for one airline would be screened through one facility
- (4) Recommended safety improvements would need to be completed using other means.

This is not the recommended alternative.

Alternative 2 – Complete improvements to the south and central screening rooms only.

Cost Implications: \$96,000

Pros:

- (1) Provides uniform employee screening throughout the Airport
- (2) Provides additional recommended safety features on the secure side
- (3) Utilizes all equipment purchased as part of phase 1

Cons:

- (1) Does not provide employee screening at the north end of the airport
- (2) Does not satisfy the Port’s business plan to adjust security operations and invest in new facilities to meet the numbers of employees needing access to secure areas of the airport

This is not the recommended alternative.

Alternative 3 – Complete phase 1 of the project.

Cost Implications: \$850,000

Pros:

- (1) Provides improved employee screening with three locations at the south, central and north areas of the airport

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- (2) Provides uniform employee screening throughout the Airport
- (3) Provides additional recommended safety features on the secure side
- (4) Provides an opportunity to test new security screening technology in preparation for future possible use

Cons:

- (1) Additional staff may be required for the north screening room.
- (2) Costliest of the three alternatives

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Phase 1	Phase 2	Total
COST ESTIMATE			
Original estimate	\$1,850,000	\$1,650,000	\$3,500,000
AUTHORIZATION			
Previous authorizations	\$550,000	\$100,000	\$650,000
Current request for authorization	\$850,000	\$0	\$850,000
Total authorizations, including this request	\$1,400,000	\$100,000	\$1,500,000
Remaining amount to be authorized	\$450,000	\$1,550,000	\$2,000,000

Annual Budget Status and Source of Funds

The employee security screening project (CIP #C800880) was included in the 2017-2021 capital budget and plan of finance with a budget of \$3,500,000. The funding sources will include the Airport Development Fund and future revenue bonds, to be issued in 2017.

Financial Analysis and Summary

Project cost for analysis	\$3,500,000
Business Unit (BU)	Airfield Movement Area (security)
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.01 in 2018

Future Revenues and Expenses (Total cost of ownership)

The estimated future maintenance costs for the security screening equipment for the three screening rooms are estimated at approximately \$26,000 annually.

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ADDITIONAL BACKGROUND

A request for design authorization for phase 2 of the project is anticipated in Q2 2017 once project definition is complete.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- September 13, 2016 – The Commission authorized the purchase of equipment and build-out of space for future security needs at the Airport.