



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6d

ACTION ITEM

Date of Meeting April 11, 2017

DATE: March 17, 2017

TO: Dave Soike, Interim Chief Executive Officer

FROM: Michael Ehl, Director, Aviation Operations
Wayne Grotheer, Director, Aviation Project Management Group

SUBJECT: Holdroom Seating for Concourse B and C (CIP #C800833)

Amount of this request: \$9,226,000

Total estimated project cost: \$9,300,000

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to (1) procure and install replacement seating for all holdrooms in Concourses B and C; (2) design and construct electrical improvements to power 100% of the new seating that will allow passengers to charge their electronic devices such as phones, computers, and other personal electronics; (3) Utilize Port crews and small works contracts. The amount of this request is \$9,226,000.

EXECUTIVE SUMMARY

This project replaces existing holdroom seating in Concourses B and C with new seating that will improve customer comfort and will provide additional power access and supporting infrastructure for charging personal electronic devices. The new seating will meet the recently established standard with a modern, durable and attractive product that is expected to require less maintenance than existing seating.

Existing holdroom seating on Concourses B and C is worn, is a mix of airline and airport-owned seating, and is in need of replacement. In addition, existing electronic device charging outlets are not sufficiently provided to meet customer demand and depending on location are provided at only 25-35% of the holdroom seats.

Comfortable, modern and fully powered seating throughout the holdrooms at Concourses B and C will enhance passenger experience and support the Century Agenda goal to make Sea-Tac the West Coast "Gateway of Choice."

JUSTIFICATION

The project will implement new seating to improve passenger experience in all Concourse B and C holdrooms. The Port executed an airport-wide seating contract as a result of a competitive

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procurement authorized by Commission in 2016. The new seating was selected based on best value for total cost of ownership, comfort, aesthetics, maintainability, environmental benefits and small business factors.

DETAILS

The seating bolts together in 4 to 5 seat benches that are stable, sturdy, and due to substantial weight, are expected to remain in place. Based on the preferred layout, the project will install benches perpendicular to the main walkway, with 2-seat airside benches at the ends of double rows in some locations. Seating will be placed to maximize the number of seats in each holdroom while also providing adequate circulation areas. ADA seating will be provided near service counters at every gate. Floor receptacles will be provided to minimize cord runs from seating and to keep these cords out of walkways for improved customer safety.

To distribute power for the new seating, the project will install new electrical panels on the ramp level, with new circuit runs to all holdroom locations. Power bars for the seating are raised and located between chairs, making access easy and convenient. Passengers will have access to both 120V and USB outlets for charging personal devices such as cell phones and laptops at the seating.

Scope of Work

The project will install new seating in all holdrooms throughout Concourse B and Concourse C in layouts that optimize the number of seats and level of service in each holdroom. The project will also install improvements necessary to provide power to all seating, to allow customer access for 120V and USB device charging.

Schedule

The project will install the new seating by the end of 2017 including charging stations where electrical power is currently available in the holdrooms. Electrical improvements required for providing power at 100% of the seats will follow and will be performed through a major works contract by the end of 2018.

Design start	2017 Quarter 2
Seating installation complete	2017 Quarter 4
Construction start - Electrical	2018 Quarter 2
In-use date	2018 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$1,126,000	\$1,200,000
Construction	\$8,100,000	\$8,100,000
Total	\$9,226,000	\$9,300,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Install Vitra seating at Concourse B and C holdrooms. Provide power access for charging personal devices only where there is currently electrical access provided.

Cost Implications: \$6 million

Pros:

- (1) Implement new seating standard in two Airport concourses.
- (2) Lowest cost alternative to install new seats.
- (3) Slightly higher seating capacity than Alternatives 2 and 3.

Cons:

- (1) This alternative only provides charging options for 20 – 30% of the seats and availability varies by holdroom.
- (2) Layout constrained by existing floor boxes to provide power access.
- (3) Does not improve existing level of service for power access.

This is not the recommended alternative.

Alternative 2 – Install Vitra seating at Concourse B and C holdrooms. Provide power access to 75% seating.

Cost Implications: \$8.2 million

Pros:

- (1) Implement new seating standard in a key Airport area.
- (2) Power access improved over Alternative 1.
- (3) Slightly higher seating capacity than Alternative 3.
- (4) Less cost than Alternative 3.

Cons:

- (1) Fewer circuits will be provided to holdrooms than Alternative 3, resulting in zones with no capacity for powered seating.
- (2) Design options for holdroom seating are more limited than Alternative 3, due to non-powered holdroom areas.

This is not the recommended alternative.

Alternative 3 – Install Vitra seating at Concourse B and C holdrooms. Provide power access to 100% seating.

Cost Implications: \$9.3 million

Pros:

- (1) Implement new seating standard in a key Airport area.
- (2) Most flexible layout by providing power completely throughout the seating areas.
- (3) Best level of customer service.

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Cons:

- (1) Highest cost alternative.
- (2) Slightly less seating capacity than Alternatives 1 and 2.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$6,000,000	\$0	\$6,000,000
Current change	\$3,200,000	\$100,000	\$3,300,000
Revised estimate	\$9,200,000	\$100,000	\$9,300,000
AUTHORIZATION			
Previous authorizations	\$74,000	0	\$74,000
Current request for authorization	\$9,126,000	\$100,000	\$9,226,000
Total authorizations, including this request	\$9,200,000	\$100,000	\$9,300,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The Holdroom Seating for Concourse B and C (C800833) was included in the 2017-2021 capital budget and plan of finance with a budget of \$6,000,000. The budget increase will be transferred from the Aeronautical Allowance CIP (C800753), resulting in no net change to the airport capital budget. The funding source for this project will be the Airport Development Fund (ADF) and future revenue bonds, to be issued in 2017.

Financial Analysis and Summary

Project cost for analysis	\$9,300,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.04 in 2019

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 9, 2016 – The Commission authorized procurement and execution of the new airport-wide seating contract.