



COMMISSION
AGENDA MEMORANDUM

Item No. 4d

ACTION ITEM

Date of Meeting June 13, 2017

DATE: June 6, 2017

TO: Dave Soike, Interim Chief Executive Officer

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

SUBJECT: Airfield Operations Area Perimeter Fence Line Standards Compliance (CIP #C800842)

Amount of this request: \$5,660,000

Total estimated project cost: \$5,680,000

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to design and prepare construction documents for the enhancement of Airport Operations Area (AOA) perimeter fence and access gate E-105 at the Seattle-Tacoma International Airport; and advertise and execute a construction contract for the AOA Perimeter Fence Line Standards Compliance project at Seattle-Tacoma International Airport.

EXECUTIVE SUMMARY

This project will ensure that the primary barriers into the secured areas of the airport provide a high level of deterrence and comply with the current security standards, which is critical to safe and efficient airport operations. Specifically, it will replace all remaining seven-foot AOA perimeter fence sections and associated gates with twelve-foot fence and one-foot of barbed wire at the top to increase airport security, consistent with the standards agreed to with TSA and which were incorporated into the Airport Security Plan.

In addition, Gate E-105, next to the Airport Rescue and Firefighting Facility, will be replaced with a more secure and faster gate operator to shorten response time by the Fire Department. Universal Product Code (UPC) scanning labels will be added to the fence to assist with required fence line audits by Port of Seattle (POS) Security.

JUSTIFICATION

The Airport Operations Area (AOA) perimeter fence line is the primary physical barrier into the secured areas of commercial airports. Over the past years, other airports have experienced several nationally recognized breaches in security which included accessing the AOA by climbing over a perimeter fence. Seattle-Tacoma International Airport (Sea-Tac) has also experienced this type of trespass. There is a recognized need to improve security by increasing the level of difficulty for unauthorized access through the AOA perimeter fence.

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After the event of 9/11, the Port of Seattle established a minimum fence height of twelve feet for the AOA perimeter fence wherever permissible by the Federal Aviation Administration (FAA). Portions of the perimeter fence have been replaced with the twelve foot fence over time as construction projects moved fence lines. However, there are still areas with shorter fence that need to be upgraded.

The project was presented at the Airline Airport Affairs Committee (AAAC) meeting on May 18, 2017 with no objection received. A Majority in Interest (MII) vote will not occur before the Commission meeting for the design and construction authorization of this project. Port staff does not anticipate this project to be controversial. Should there be any issues with the MII vote, the various Port departments will coordinate with the airlines to resolve. The request for a single authorization of design, advertisement and execution of a construction contract is for efficiency in the project delivery.

This project will include goals for small business.

DETAILS

Scope of Work

- (1) Replace approximately 9,800 linear feet of seven-foot AOA perimeter fence with twelve-foot fence plus one foot of barbed wire at the top.
- (2) Replace affected AOA access gates including E-150, E-155 and E-180.
- (3) Replace E-105 gate with a crash-resistant gate and a faster gate operator.
- (4) Install Universal Product Code (UPC) scanning labels to assist with required fence line audits by Port Security.

Schedule

Activity

Design start	2017 Quarter 2
Advertisement for construction contract	2018 Quarter 1
Construction start	2018 Quarter 2
In-use date	2018 Quarter 4

Cost Breakdown

	This Request	Total Project
Design	\$1,100,000	\$1,120,000
Construction	\$4,560,000	\$4,560,000
Total	\$5,660,000	\$5,680,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 –Do not replace the substandard AOA perimeter fence or access gates on the airfield.

Cost Implications: \$0

Pros:

- (1) No additional cost.

Cons:

- (1) Continued use of the substandard AOA perimeter fence and access gates presents risks of unauthorized access to the restricted areas.
- (2) Not in compliance with the Airport Security plan or TSA agreement for the standard of twelve-foot AOA perimeter fence.

This is not the recommended alternative.

Alternative 2 – Only replace the sections of perimeter fence and access gates with highest priorities in 2018 and delay the rest of the project.

Cost Implications: \$4,000,000

The estimate is based on the assumption of delay project to 2019. If the project is delayed beyond 2019, the cost estimate would be further increased to reflect annual escalation.

Pros:

- (1) Lower capital cost for 2018.
- (2) Less construction impact to AOA in 2018.
- (3) Installation of sections of taller AOA perimeter fence will increase the difficulty in gaining unauthorized access through certain areas.
- (4) Replacement of E-105 with faster operating system will help to shorten Fire Department response time.

Cons:

- (1) Delayed replacement of the rest of the substandard AOA perimeter fence and access gates presents higher risks of unauthorized access to the restricted areas.
- (2) Not in full compliance with the Airport Security plan or TSA agreement for the standard of twelve-foot AOA perimeter fence.
- (3) Delaying the rest of the project will increase total project cost.

This is not the recommended alternative.

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Alternative 3 – Replace all identified substandard AOA perimeter fence and access gates during the 2018 construction season.

Cost Implications: \$5,680,000

Pros:

- (1) Fully comply with the Airport Security plan and TSA agreement for the standard of twelve-foot AOA perimeter fence.
- (2) Improve airport security by installing twelve-foot AOA fence and access gates around the perimeter wherever permissible.
- (3) Replacement of emergency access gate E-105 with faster operating system will help to shorten Fire Department response time.
- (4) Support the Port’s Century Agenda.

Cons:

- (1) Earlier capital spending than the other alternatives.

This is the recommended alternative.

FINANCIAL IMPLICATIONS of AOA Perimeter Fence Line Standards Compliance Project

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$3,993,000	\$0	\$3,993,000
Current change	\$1,687,000	0	\$1,687,000
Revised estimate	\$5,680,000	0	\$5,680,000
AUTHORIZATION			
Previous authorizations	\$20,000	0	\$20,000
Current request for authorization	\$5,660,000	0	\$5,660,000
Total authorizations, including this request	\$5,680,000	0	\$5,680,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was included in the 2013 – 2017 capital budget and plan of finance with a budget of \$3,993,000. The budget increase is due to added scope items. 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 will be the Airport Development Fund. Additionally, Port staff is pursuing Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants for this project.

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Financial Analysis and Summary

Project cost for analysis	\$5,680,000
Business Unit (BU)	Airfield Movement Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.02 in 2019

Future Revenues and Expenses (Total cost of ownership)

Annual Operating and Maintenance costs are not anticipated to change appreciably. The estimated life expectancy for this project is 20 years for perimeter fence and access gates.

ATTACHMENTS TO THIS REQUEST

Slide presentation.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None