



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4c

ACTION ITEM

Date of Meeting November 28, 2017

DATE: November 16, 2017

TO: Dave Soike, Interim Executive Director

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

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

Amount of this request: \$1,550,000

Total estimated project cost: \$2,950,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) advertise and execute major public works contracts to construct a new airline baggage service office and enlarge the north employee screening room at Seattle-Tacoma International Airport; (2) procure additional security equipment, and, (3) use Port crews to install infrastructure for the new equipment. This authorization is for \$1,550,000 of a total estimated project cost of \$2,950,000.

EXECUTIVE SUMMARY

This request will build a larger employee screening room in the north main terminal than previously proposed, in order to handle the volume of employees entering the airport security area at that location. To create space for this screening room construction, the project will relocate the existing Alaska Airlines Baggage Service Office (BSO) from its current location to a new location as part of this project. This request will also procure and install additional security equipment tested as part of the previous authorization.

This request represents the third authorization for this project. In September 2016 Commission authorized the build out of one employee screening room and procurement of security equipment for two employee screening rooms. In March 2017 Commission authorized completion of both employee screening rooms, safety improvements, and the design, equipment procurement and construction of a third employee screening room.

This request focuses on the main terminal building. A future request as part of a separate project will provide security improvements to facilitate employee screening at airfield access points.

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JUSTIFICATION

As this project investigated the use of a portion of the Alaska Airlines BSO for a new north employee screening room it became apparent that the location could not support the queuing needs of both the BSO and the screening room. This could impact passenger movement around Baggage Claim Carousel 14.

The alternative agreed upon by Alaska Airlines and the Port relocates the Alaska BSO to the east side of baggage claim against the window wall to improve customer service to their passengers at both the BSO and the carousel. This will require adjusting the location of passenger amenities including an electrical charging station and some vending machines. Completing this move will also allow for an increase in the size of the north screening room to allow it to function more efficiently with the number of employees using it, primarily Alaska, Horizon and American Airline employees.

As an added security measure this project will procure additional security equipment at the existing employee portals at both ends of the airport. Port Crews will install the infrastructure for the new equipment.

DETAILS

Scope of Work

This project will relocate the Alaska BSO and procure new technology security equipment for use at the existing employee portals.

- (1) Construct a new Alaska Baggage Service Office
- (2) Relocate amenities including an electrical charging station and vending machines
- (3) Expand the North Employee Screening Room
- (4) Procure and install new technology security equipment

Elements within the scope of work could provide a number of opportunities for small and diverse firms. In partnership with the small business group within the Economic Development Division, the Aviation Project Management Group is leveraging the Port of Seattle’s Small Business Generator (PortGen) to help outreach, and to maximize small business awareness of this project.

Schedule

Activity

Design start	2017 Quarter 4
Construction start	2018 Quarter 2
In-use date	2019 Quarter 1

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Cost Breakdown	This Request	Total Project
Design	\$247,000	\$500,000
Construction	\$1,303,000	\$2,450,000
Total	\$1,550,000	\$2,950,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Proceed as planned to use a portion of the Alaska BSO for the north screening room.

Cost Implications: \$813,000 (Previously authorized)

Pros:

- (1) No need to relocate Alaska’s BSO
- (2) No additional funds needed to build out the screening room

Cons:

- (1) Passenger flow on both ends of the baggage carousel will be impacted by having two different queuing functions at that location, one for Alaska passengers and the other for Employee Screening
- (2) Alaska Airlines will need more space at a different location not yet identified
- (3) To accommodate efficient screening for the amount of employees on the north end the east wall of the existing BSO will need to be expanded out into the Baggage Claim area which will further impact passenger flow

This is not the recommended alternative.

Alternative 2 – Construct the North Screening Room on the north end of the airport.

Cost Implications: \$510,000

Pros:

- (1) No need to relocate the Alaska BSO
- (2) Construction may be completed sooner

Cons:

- (1) The screening room may need to be relocated with any future expansion on the north end of the main terminal.
- (2) This could restrict access on both sides of carousels 15 and 16
- (3) This could eliminate the oversize bag window used by the airlines to pass oversize bags into the bag claim area.
- (4) This could create a need to relocate the American Airlines BSO
- (5) This could cause an unsafe condition for employees entering the bagwell where tugs are loading and unloading

This is not the recommended alternative.

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Alternative 3 – Relocate the Alaska BSO, increase the size of the north screening room and secure the existing employee portals with new technology metal detection.

Cost Implications: \$1,550,000

Pros:

- (1) This will eliminate the potential for passenger flow congestion on the west side of Baggage Claim Carousel 14
- (2) This will eliminate the need to find more storage space for Alaska
- (3) This will add another layer of security at the existing employee portals
- (4) This will provide a more efficient north location for employees to enter the secure area

Cons:

- (1) This will require additional funds
- (2) This will require additional build out in the bag claim area

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$3,500,000	\$0	\$3,500,000
Current change	(\$550,000)	0	(\$550,000)
Revised estimate	\$2,950,000	0	\$2,950,000
AUTHORIZATION			
Previous authorizations	\$1,400,000	0	\$1,400,000
Current request for authorization	\$1,550,000	0	\$1,550,000
Total authorizations, including this request	\$2,950,000	0	\$2,950,000
Remaining amount to be authorized	\$0	\$0	\$0

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. A budget transfer of \$550,000 was moved into C800894 Airfield Employee Screening Phase 2 to secure the airfield access points. The funding sources will include the Airport Development Fund and future revenue bonds.

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Financial Analysis and Summary

Project cost for analysis	\$2,950,000
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 2019

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.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

March 28, 2017 – The Commission authorized design for a third screening room, purchase of security equipment and the use of Port forces to complete the build out of three employee screening rooms.

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