



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6e

**ACTION ITEM**

**Date of Meeting** May 28, 2019

**DATE:** May 20, 2019  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Wayne Grotheer, Director, Aviation Project Management  
Wendy Reiter, Director, Aviation Security  
**SUBJECT:** Employee Services Center (C800934)

**Amount of this request:** \$1,385,000  
**Total Estimated Employee Services Center project cost:** \$7,264,000  
**Total estimated project cost:** \$9,164,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to proceed with design of the Employee Services Center project at Seattle-Tacoma International Airport. The amount requested under this authorization is \$1,385,000 out of a total budget of \$9,164,000.

**EXECUTIVE SUMMARY**

This project will create a new “Employee Service Center” which will consolidate credentialing, training, employee parking and insurance review services into a “one-stop shop” service center for all employees at Seattle-Tacoma International Airport (Airport). This will make it easier and quicker for employees to receive services.

To create the Center, this project will combine the space where the Credential Center, Training Office, the vacated Lost and Found office, and Meditation Room are currently located. Plans are being developed separately from this project to prepare a new space for the Meditation Room in a preferred location behind security and without a gap in service. Regulated materials (including asbestos) will need to be abated as part of the demolition.

This project is one of two projects under this CIP and was included in the 2019-2023 capital budget and plan of finance in amount of \$8,764,000. The other project in this COP is the Lost and Found relocation with a budget of \$1,900,000, which received Commission design authorization on April 23, 2019.

**DIVERSITY IN CONTRACTING**

The project will be utilizing an existing IDIQ contract for design. The project manager will work with the Diversity in Contracting Department to determine participation opportunities and set

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goals for women and minority business enterprises (WMBE) attainment during construction. These affirmative efforts are in accordance with the Policy Directive on Diversity in Contracting.

**JUSTIFICATION**

Credentialing is a critical component to allow tenants to perform their work at the Airport. With the projected continued employee growth and the upcoming construction activities, the offices required to on-board and maintain TSA regulated badging compliance for these employees can no longer effectively accommodate the volume of customers as currently configured. Both the credential center and training center have reached capacity and are no longer able to efficiently serve airport employee customers in a timely manner with wait times for appointments often exceeding 2-4 weeks. Additionally, due to the maximized facility, processing customers has had delays of up to 45 minutes due to lack of space for additional work stations. In recent years credentialing staff has been hired to meet the demands of airport growth. However, the space is insufficient, and staff outnumbered badging workstations with no room for expansion.

Process improvement efforts and stakeholder engagement directly related to this project involved tenants, airlines and internal customers. Many of those involved provided feedback and a strong request for action. The goal has always been a 3-5 day turn-around time for badging. This project will address these specific concerns and will allow the Port the ability to credential tenant employees and thus allow them to begin work at the Airport within the 3-5 day window.

Combining the footprint of these currently separate functions will gain efficiencies through design and process improvements, as well as create an improved processing and waiting experience to better serve our Airport tenants, employees and customers.

**DETAILS**

1. Growth in the credential center use has increased the badge volume from 14,000 badge holders in 2015 to 24,000 badge holders in a 4-year period. This growth is due to increased airport operations and a multitude of construction projects at the Airport.
2. Today credentialing, training, employee parking, insurance, and operational review facilities are located throughout the airport, separated by up to 1/3 of a mile. For instance, obtaining a new badge requires an employee to, at minimum, visit the credential center for initial processing, return to the training center to complete the required training, and then travel back to the credential center to pick up the badge. All these stops delay the applicant from receiving a badge in the shortest time possible. To obtain an employee parking pass requires a walk of 1/3 of a mile to the toll plaza on the far side of the airport garage. The inability to badge applicants in a manner that is acceptable to our tenant's results in project delays and the inability for airport stakeholders to meet their staffing needs. By co-locating services and expanding the footprint of both the training and credentialing facilities, employee onboarding from start to finish will significantly decrease the current 2-4 week

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wait time to 3-5 days and will streamline the customer service experience allowing a much faster visit.

3. Airport Employees are often confused about the badging and training process required to work at the Airport. The current process and geography of the offices require the employees to make separate appointments and travel between different locations, multiple times, to meet the regulated security requirements to obtain a badge at STIA. New badge processing and badge renewals take place in two locations. Applicants are often confused about which office to visit resulting in unnecessary and often lengthy wait times.
4. This project will also co-locate the employee parking office, which currently resides on the first floor of the Parking Garage in the Toll Plaza. This current office location is difficult to find and requires employees to walk through the Parking Garage. The co-location of employee parking with the Credential and Training Centers will be much more efficient, especially for new employees.
5. Currently Airport employees wait for their badge appointments in a converted public area on the Mezzanine outside the Meditation Room, this project will provide a well-designed and quiet waiting area, separated from the public, for their appointments.
6. The meditation room on the mezzanine level will be relocated in advance of the construction for the Employee Services Center. Plans are being developed separately from this project to prepare a new space for the meditation room in a preferred location behind security, avoiding any gap in service. Long term, we have identified multiple locations post security where we can offer passengers and employees a quiet retreat for prayer and meditation at Sea-Tac.
7. The project will pilot the WELL Building Standard Certification for this new consolidated office. WELL is a framework focusing on the health, well-being, and experience for everyone that works in or visits the space. Key opportunities for the project include circadian lighting, acoustic performance, biophilic design, and performance testing for ventilation, water quality, and thermal comfort.

**Scope of Work**

This project will design, construct and procure equipment to create a new Employee Service Center on the mezzanine of the airport. This center will include offices and workstations, breakrooms, restroom, conference room, and training room. It will also include a lobby and waiting area. During construction the credentialing and training areas will be temporarily relocated, and the project site abated of regulated materials.

**Schedule**

<i>Activity</i>	
Design start	2019 Quarter 2
Commission construction and purchasing authorization	2020 Quarter 3
Construction start	2020 Quarter 4

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In-use date	2021 Quarter 4
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<b>Cost Breakdown</b>	This Request	Total Project
Design	\$1,385,000	\$1,385,000
Construction	0	\$5,879,000
Total	\$1,385,000	\$7,264,000

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not combine the footprints of the Credential Center and Airport Training Office. Relocate Employee Parking into the vacated Lost and Found space on the mezzanine.

Cost Implications: \$5,700,000

Pros:

- (1) This will decrease the cost of the project due to eliminating the scope to create a better flow for onboarding new employees and renewing existing badges.
- (2) This will minimize impacts to credentialing and training operations during construction.

Cons:

- (1) This will not provide the additional space needed for credentialing and training to operate efficiently.
- (2) This will not provide space for a waiting area so will not resolve congestion in the credentialing and training spaces.
- (3) This will not address the concerns for customers waiting in an open hallway above a busy and loud security checkpoint.

This is not the recommended alternative.

**Alternative 2** – Do not reuse the vacated Meditation Room space for a consolidated waiting room.

Cost Implications: \$6,000,000

Pros:

- (1) This option will reduce the budget for the project compared to alternative 3
- (2) This will allow vacated space for another use in that area of the mezzanine

Cons:

- (1) This will not allow space for a waiting area which will not resolve congestion in the credentialing and training spaces
- (2) This will not address the concerns for customers waiting in an open hallway above a busy and loud security checkpoint

This is not the recommended alternative.

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**Alternative 3** – Create a new consolidated Employee Services Center

Cost Implications: \$7,264,000

Pros:

- (1) This will combine all onboarding and security compliance functions in one place
- (2) This will create efficiencies for onboarding new employees
- (3) This will abate regulated materials from the entire construction area
- (4) This will create a more positive customer experience for Airport employees
- (5) This will create a quieter environment for customers waiting in the lobby

Cons:

- (1) The construction could negatively impact operations for credentialing and training if there are delays or changes to the schedule since notices of any change must be sent out in advance to all customers
- (2) A temporary facility will be needed for operations during construction

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

***Cost Estimate/Authorization Summary***

	Capital	Expense	Total
<b>COST ESTIMATE</b>			
Original estimate	\$7,264,000	\$0	\$7,264,000
Previous changes – net (Lost & Found – Capital)	\$1,900,000	\$0	\$1,900,000
Current change (Regulated Materials Abatement – Expense)	(\$1,067,000)	\$1,067,000	\$0
Revised estimate	\$8,097,000	\$1,067,000	\$9,164,000
<b>AUTHORIZATION</b>			
Previous authorizations for Employee Services Center	\$282,000	\$0	\$282,000
Current request for authorization for Employee Services Center	\$1,385,000	\$0	\$1,385,000
Previous authorizations for Lost & Found	\$470,000	\$0	\$470,000
Total authorizations, including this request	\$2,137,000	\$0	\$2,137,000
Remaining amount to be authorized	\$5,960,000	\$1,067,000	\$7,027,000

***Annual Budget Status and Source of Funds***

This project was included in the 2019-2023 capital budget and plan of finance in the amount of \$8,764,000. The budget was increased by \$400,000 for the Lost and Found project. A further

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\$1,067,000 has been transferred from capital to expense to cover the abatement of regulated materials. The funding source will be the Airport Development Fund and revenue bonds.

***Financial Analysis and Summary***

Project cost for analysis	\$9,164,000
Business Unit (BU)	TERMB
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	\$.04 in 2021

***Future Revenues and Expenses (Total cost of ownership)***

The estimated future maintenance costs will be determined during design.

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

April 23, 2019 – The Commission authorized design of the Lost and Found Relocation Project.