

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5b

Date of Meeting August 23, 2011

DATE: August 11, 2011

TO: Tay Yoshitani, Chief Executive Officer

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

SUBJECT: Checkpoint Security Cameras at Seattle-Tacoma International Airport (CIP # C800242).

Amount of This Request: \$500,000

Source of Funds: Airport Development Fund
and TSA Grant

State and Local Sales Tax: \$29,000

Total Project Costs: \$500,000

ACTION REQUESTED:

Request Port Commission authorization for the Chief Executive Officer to: (1) proceed with design, and (2) use Port crews to install new security cameras at security checkpoints at Seattle Tacoma International Airport (Airport). The Port intends to purchase equipment and construct this project using Port crews and small works contractors. This authorization is for a total estimated project cost of \$500,000, but the Port's share of the cost is only \$100,000, with the balance of the cost being covered by a Transportation Security Administration (TSA) grant.

SYNOPSIS:

This project will install approximately 40 new cameras to view passenger screening areas at the security checkpoints at the Airport. This project will also install additional data storage sufficient for the new cameras. New cameras are necessary due to reconfiguration of the security checkpoints and added data storage will increase retention of recorded images. TSA remaining grant funding will cover approximately \$400,000 of the project cost. The grant funding is only available until the end of 2011.

BACKGROUND:

In 2010, the Port completed installation of a new digital video management system integrating Closed Circuit Television Cameras (CCTV) at the Airport. This project, authorized in 2007, was funded in part by the TSA through an Other Transaction Agreement (OTA). While the CCTV

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

August 11, 2011

Page 2 of 4

project is nearly complete, and most of its budget expended, the OTA retains remaining funds which the TSA has made available for the installation of additional cameras. With recent changes at the Airport's passenger security checkpoints, the need to install additional cameras has become more apparent. That combined with the pending expiration of the OTA has accelerated this project – we need to complete the project this year to get federal grant funding for approximately 80% of the project cost. This project will install new CCTV cameras at the Airport's security checkpoints. It will also procure additional data storage to improve image retention.

PROJECT JUSTIFICATION:

With the recent installation of Advanced Imaging Technology (AIT) equipment and the institution of new passenger screening processes by the TSA, the need to provide additional video coverage of the security checkpoints is necessary. AITs are larger requiring that the security checkpoints be reconfigured. This drives the need for additional camera coverage.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

This project will install approximately 40 new cameras at the Airport's security checkpoints. It will also procure additional data storage devices to ensure sufficient storage of video images captured by the new cameras.

Schedule:

The project schedule is as follows:

- Commission Authorization August 2011
- Construction start October 2011
- Construction complete January 2012

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	\$500,000
Budget Increase (Decrease)	\$0
Revised Budget	\$500,000
Previous Authorizations	\$0
Current request for authorization	\$500,000
Total Authorizations, including this request	\$500,000
Remaining budget to be authorized	\$0

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

August 11, 2011

Page 3 of 4

<u>Project Cost Breakdown</u>	<u>This Request</u>	<u>Total Project</u>
Construction costs	\$276,000	\$276,000
Port Purchased Equipment	\$ 88,000	\$ 88,000
Sales tax	\$ 29,000	\$ 29,000
Outside professional services	\$ 47,000	\$ 47,000
Aviation PMG and other soft costs	\$ 60,000	\$ 60,000
Total	\$500,000	\$500,000

Budget Status and Source of Funds

This project (CIP # C800242) was included in the 2011-15 capital budget and plan of finance as a business plan prospective project. The funding sources will include the Airport Development Fund and a TSA grant. TSA grant funding will cover approximately \$400,000 of the project cost. This funding is only available until the end of 2011.

Financial Analysis

<i>CIP Category</i>	Revenue/Capacity Growth
Project Type	Business Expansion
Risk adjusted Discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$500,000 (only \$100,000 charged to airline rate base)
Business Unit (BU)	Terminal
Effect on business performance	NOI after depreciation will increase.
IRR/NPV	N/A
CPE Impact	Increase CPE by less than \$.01 in 2013, but no change compared to business plan forecast as this project was included.

Lifecycle Cost and Savings:

The lifecycle cost and savings of this project will be determined as an element of design. Annual Operating and Maintenance Costs of \$3,000 a year.

ENVIRONMENT AND SUSTAINABILITY:

There are no environmental or sustainability applications related to this project.

COMMISSION AGENDA

Tay Yoshitani, Chief Executive Officer

August 11, 2011

Page 4 of 4

STRATEGIC OBJECTIVES:

The project ensures Airport vitality by providing enhanced security and asset renewal at the checkpoints, which benefits our passengers, TSA and airline partners.

TRIPLE BOTTOM LINE SUMMARY:

This project will provide tangible benefits to the Security Checkpoints for increased security as passengers enter the sterile areas. This project will provide for immediate review and diagnosis of incidents and help facilitate solutions.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1

Install approximately 40 new cameras and data storage to view passenger screening areas of the security checkpoints. Use remaining TSA grant funding for approximately \$400,000 of the project cost before the grant expires at the end of the year. **This is the recommended alternative.**

Alternative 2

Install a greater number of cameras to view security checkpoints. This alternative would take longer to prepare a larger design package and would not be able to take full advantage of the remaining TSA grant funding that expires at the end of the year. This is not the recommended alternative.

Alternative 3 (Do Nothing)

This results in continued operation with the current security inconsistencies and limits our ability to adequately secure the process with the existing insufficient cameras. This is not the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTION OR BRIEFING:

On September 11, 2007, the Port Commission authorized \$2,000,000 for improvements to the Airport closed circuit television video system at Seattle-Tacoma International Airport.