

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

**Item No.**

5b

**ACTION ITEM**

**Date of Meeting**

October 2, 2012

**DATE:** September 21, 2012

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Rees Robinson, Senior Marine Maintenance Project Manager  
Marie Fritz, Cruise Services Manager, Cruise and Industrial Properties

**SUBJECT:** P66 Security Camera Upgrade

**Amount of This Request:** \$540,000

**Source of Funds:** General Fund

**Est. State and Local Taxes:** \$25,000

**Est. Jobs Created:** 4

**Est. Total Project Cost:** \$540,000

**ACTION REQUESTED:**

Request Commission authorization for the Chief Executive Officer to proceed with design and construction of the Pier 66 Security Camera Upgrade Project, including: analysis and design, project management, preparation of construction documents, and use of Port crews, for a total project cost not to exceed \$540,000. This request is time-sensitive and seeks a single authorization for design and construction.

**SYNOPSIS:**

The Bell Street Cruise Terminal opened in 1999. The security cameras inside the cruise terminal space at Pier 66 are the original cameras installed to support security regulations associated with a cruise terminal operation at the time the terminal opened. These analog cameras are beginning to experience end of life failures. A camera failure related to cruise operations is disruptive and replacement parts or cameras of the same analog type are difficult, if not impossible, to find. Two camera locations are presently out of service. Additionally, only five of the existing analog cameras are presently listed on the Camera Compatibility Matrix (i.e., officially supported) by the existing Seaport-wide video processing system.

An upgrade of the security camera system in the Bell Street Cruise Terminal to incorporate digital cameras will, by increasing reliability and potentially expanding coverage, better mitigate the risk of security breaches at the Terminal.

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Seaport Security Grant FY-09 will potentially provide a federal match of \$132,965 to offset project costs. This project will be included in the proposed 2013 Plan of Finance (currently in process) in the amount of \$540,000.

### **BACKGROUND:**

The Bell Street Pier Cruise Terminal is home to Celebrity Cruises and Norwegian Cruise Line with sailings from May through September. Cruise operations use most of the apron and selected spaces within the adjacent passenger terminal building to support vessel operations during a vessel call. Cruise terminal spaces are scheduled for non-cruise-related activities when not required for cruise operations.

Existing closed circuit television (CCTV) cameras connected to the Port CCTV system serve cruise operations, port operations, and marina operations. There are 47 existing cameras connected to the Pier 66 Port CCTV system. Seven of these are under the apron and won't be replaced with this upgrade. Ten cameras are associated with the harbor master's office and marina. These were recently upgraded to digital cameras and will remain in place and connected to the Port's existing network. The remaining cameras are inside, or monitor the exterior, of the terminal building.

The existing cameras are an outdated analog style and are no longer available. Currently, if a camera fails, a new digital replacement camera must be purchased with suitable attachments and a new cable installed to a new control server located in a different room from the analog control server. This piecemeal solution costs much more and requires time we may not have during cruise season.

A consultant was hired to assess existing conditions and make recommendations to upgrade the system. The study recommends upgrading the system with 32 new digital (IP) CCTV cameras. For the most part, new cameras would be placed in existing camera locations utilizing existing camera infrastructure. Network switches with power over Ethernet (PoE) capability, and additional video processing and storage capabilities would be required as part of the upgrade.

Project costs are based on the consultant study. The total estimated construction cost for the security camera upgrade is \$375,000, which includes the estimated contract cost for camera purchase and installation, ICT procurement and installation of network equipment, Marine Maintenance electrical support, and construction contingencies. The total estimated project cost, including design, project management, and other soft costs is \$540,000. Project costs are based on the consultant's estimate of construction and ICT work, without a complete design.

### **PROJECT JUSTIFICATION:**

The analog security cameras at P66 are outdated. Replacement parts are no longer available. Currently, two cameras are inoperable. The security camera system should be upgraded to a

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digital security camera system. Combining design and construction will allow camera replacement to begin prior to the 2013 cruise season.

### **PROJECT SCOPE OF WORK AND SCHEDULE:**

#### ***Scope of Work:***

Thirty-two new digital cameras will be installed to replace existing analog cameras monitoring the P66 cruise terminal facility. In general, existing cameras are well located to serve the functional needs for observation of occupants in the cruise terminal facility. A few cameras will be relocated within the viewing space to better provide identification opportunities. Otherwise replacement cameras will be installed at the location of existing cameras.

#### ***Schedule:***

Project design will proceed immediately following Commission authorization. Design will take a minimum of three months. The work will be put out to bid using a small works contract. The estimated time between final design and contract notice to proceed (NTP) is two months, followed by approximately two months of construction. The earliest estimated finish date for the project is mid-May 2013. Due to potential security breaches, impact to facility operations, and costs associated with working around the cruise schedule, it is desirable to finish the work as early in the Cruise season as possible.

### **FINANCIAL IMPLICATIONS:**

<b><i>Budget/Authorization Summary:</i></b>	Total Project
Original Budget	\$0
Previous Authorizations	\$0
Current request for authorization	\$540,000
Total Authorizations, including this request	\$540,000
Remaining budget to be authorized	\$0
Total Estimated Project Cost	\$540,000

<b><i>Project Cost Breakdown:</i></b>	Total Project
Construction	\$375,000
Construction Management	\$20,000
Design (Consultant and Port ICT)	\$70,000
Project Management & Other Soft Costs	\$50,000
State & Local Taxes (estimated)	\$25,000
Total	\$540,000

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### ***Budget Status and Source of Funds:***

Funds for the Pier 66 camera upgrade project were included in the 2012 approved budget for Small Capital Projects CIP# C800443, in the amount of \$200,000. This project will be included in the proposed 2013 Plan of Finance (currently in process) in the amount of \$540,000.

This project will be funded by the General Fund.

### ***Financial Analysis and Summary:***

<b>CIP Category</b>	Renewal/Enhancement																								
<b>Project Type</b>	Renewal & Replacement																								
<b>Risk adjusted discount rate</b>	N/A																								
<b>Key risk factors</b>	<ul style="list-style-type: none"><li>• Project costs are estimated based on a preliminary assessment of the system, not on final design. Networking requirements and length of cable runs may increase project costs.</li><li>• Construction costs could be greater than anticipated due to extent the Contractor will have to work around cruise operations.</li></ul>																								
<b>Project cost for analysis</b>	\$540,000																								
<b>Business Unit (BU)</b>	Cruise Services																								
<b>Effect on business performance</b>	<p>This project will not generate any incremental revenue.</p> <p>Estimated impact on Net Operating Income (NOI) for this facility is shown below:</p> <table border="1"><thead><tr><th><b>NOI (in \$000's)</b></th><th><b>2013</b></th><th><b>2014</b></th><th><b>2015</b></th><th><b>2016</b></th><th><b>2017</b></th></tr></thead><tbody><tr><td>NOI</td><td>\$0</td><td>\$0</td><td>\$0</td><td>\$0</td><td>\$0</td></tr><tr><td>Depreciation</td><td>(\$27)</td><td>(\$54)</td><td>(\$54)</td><td>(\$54)</td><td>(\$54)</td></tr><tr><td>NOI After Depreciation</td><td>(\$27)</td><td>(\$54)</td><td>(\$54)</td><td>(\$54)</td><td>(\$54)</td></tr></tbody></table> <p>Total depreciation expense from this project is estimated at \$54,000 per year based on a ten year asset life. The allocation of actual project costs to specific assets will be finalized near the end of the project, estimated to be the second quarter in 2013.</p>	<b>NOI (in \$000's)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	NOI	\$0	\$0	\$0	\$0	\$0	Depreciation	(\$27)	(\$54)	(\$54)	(\$54)	(\$54)	NOI After Depreciation	(\$27)	(\$54)	(\$54)	(\$54)	(\$54)
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<b>IRR/NPV</b>	N/A																								

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### **ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:**

Alternative 1: Do not upgrade the security camera system. This alternative leaves an unreliable security system in place with an increased frequency of camera failures in the near future likely. This is not the recommended alternative.

Alternative 2: Proceed with design of the P66 Security Camera Upgrade. Authorization of \$125,000 will allow completion of project design. This alternative will likely delay construction by at least two months increasing the potential for security breaches. This is not the recommended alternative.

Alternative 3: Proceed with design and construction of the P66 Security Camera Upgrade. Authorization of a total project authorization of \$540,000 will allow the completion of the upgrade early in the 2013 cruise season. **This is the recommended alternative.**

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

None.

### **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:**

None.