COMMISSION AGENDA

ACTION ITEM

Item No. _____ 5i _____

Date of Meeting _____ December 11, 2012 _____

DATE: December 3, 2012

TO: Tay Yoshitani, Chief Executive Officer

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

SUBJECT: Known Crew Member Employee Bypass Project (CIP #C800576)

Amount of This Request: $630,000   **Source of Funds:** Airport Development Fund

Est. State and Local Taxes: $ 31,000   **Est. Jobs Created:**   4

Est. Total Project Cost: $ 650,000

ACTION REQUESTED:

Request Port Commission authorization for the Chief Executive Officer to: (1) proceed with design and construction; (2) use Port crews; and (3) competitively procure portals for the Known Crew Member and Employee Bypass project at Seattle-Tacoma International Airport in the amount of $630,000 for a combined project cost of $650,000. This request is time-sensitive and seeks a single Commission authorization for design and construction in order to expedite project completion in a timely manner.

SYNOPSIS:

This project will construct two new Known Crew Member (KCM) points of entry and employee bypass (EMPL) portals at the Airport, in order to accommodate the expansion of the program by the Transportation Security Administration (TSA). The KCM program allows properly screened airline flight crews to bypass the Airport's security checkpoints. This program started with pilots only but has now expanded to include flight attendants. Today they are located at two security exits. These new portals would be equipped with appropriate security controls and be located at each end of the main terminal.

Staff requests a single authorization for design and construction for the following reason: Because the KCM program has now been expanded to include more participants, they will queue at the security exits while waiting to use the program. This will increase the risk to security due to crowding at the security exits. The only alternative for the participants will be to use the closest security checkpoint. With the pending realignment of the airlines in spring 2013 the distribution of passengers to the south security checkpoint will grow. Adding flight crews to this checkpoint will further slow it down. As the participant numbers swell and the summer traffic peaks, this condition will grow worse and worse. Completing the KCM portals before summer is the best way to minimize this situation and this risk.

Thus, proceeding with a single Commission authorization as stated in Resolution No. 3605, as amended, section 4.2.3.1 for design, construction, and approval to advertise and award the contract for the Known Crew Member Employee Bypass Project is necessary.

This project was included in the 2013 – 2017 capital budget and plan of finance.

BACKGROUND:

Known Crew Member is a TSA program in use now that allows properly credentialed pilots to bypass the security checkpoints at the Airport. TSA has adopted this program with the cooperation of the airlines in order to reduce demand on the security checkpoints. While this program originated as a means for pilots to bypass security, the TSA has now extended the program to flight attendants and airlines have begun taking the steps necessary to add flight attendants to the program.

Today, the KCM bypass points of entry are located at the security exits of Concourses A and B and adjacent to Security Checkpoint No. 5 at the north end of the main terminal. Once this project is complete, new KCM bypass points of entry would be located at the south end and at the north end of the main terminal. Because the KCM program is expanding soon, we intend to complete the KCM bypass points of entry immediately.

Once all eligible flight crew members participate in the KCM program, we anticipate crew traffic at the existing locations to grow. This will introduce additional movement through and crowding at the exits. This can compromise security of the exits. In addition, a future project to install breach control at these exits will require this operation to move to new locations. Hence, the new bypass points of entry will not be located at the existing exits.

In addition, the impact to the security checkpoints from this increased demand can be further mitigated by providing additional employee bypass portals. These portals would allow properly badged Airport employees to bypass security. The portals will only allow one user to enter at a time, and escorting of non-badged personnel will not be allowed. Because the selection process for the portal equipment will take time, we intend to procure them separately while the KCM points of entry are completed.

PROJECT JUSTIFICATION:

This project will improve the security of the Airport's security exits by moving demand for security bypass to alternative locations in the main terminal.

Project Objectives:
- Reduce security exit and checkpoint congestion.
- Control access and avoid inappropriate passage to others, also known as piggybacking.
- Relieve security risks.
- Reduce the visibility of the KCM points of entry from the traveling public.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

Construct two KCM points of entry and employee bypass portals with Airport access control equipment at each end of the main terminal. Each location will include a waiting area located away from public view for users to congregate while they are processed through the points of entry. The employee bypass portals will include automated entry doors to regulate their use. The remote location will help secure the area from unauthorized people trying to use the bypass portals and reduce concern from the public as to why some people are not being screened at the checkpoints.

Schedule:

Known Crew Member

Design	December	2012
Construction	February	2013
Complete	May	2013

Employee Bypass

Design	February	2013
Procure Portals	April	2013
Construction	September	2013
Complete	December	2013

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:	Capital	Expense	Total Project
Original Budget	$800,000	$0	$800,000
Budget reduction	-$150,000		-$150,000
Revised budget	$650,000		$650,000
Previous Authorizations	$20,000	$0	$20,000
Current request for authorization	$630,000	$0	$630,000
Total Authorizations, including this request	$650,000	$0	$650,000
Remaining budget to be authorized	$0	$0	$0
Total Estimated Project Cost	$650,000	$0	$650,000

Upon completion of the project notebook, the budget was reduced from $800,000 to $650,000 due to refined cost estimates.

Project Cost Breakdown:	This Request	Total Project
Construction	$400,000	$400,000
Construction Management	$76,000	$76,000
Design	$80,000	$80,000
Project Management	$35,000	$55,000
Permitting	$8,000	$8,000
State & Local Taxes (estimated)	$31,000	$31,000
Total	$630,000	$650,000

Budget Status and Source of Funds:

This project, CIP #C800576, was included in the 2013-2017 Capital Budget and Plan of Finance as a business plan prospective project. The funding source is the Airport Development Fund.

Financial Analysis and Summary:

CIP Category	Renewal/Enhancement
Project Type	Renewal & Replacement
Risk adjusted discount rate	N/A
Key risk factors	N/A
Project cost for analysis	$650,000
Business Unit (BU)	Terminal
Effect on business performance	NOI after depreciation will increase
IRR/NPV	N/A
CPE Impact	CPE will increase less than $0.01 in 2014, but no change to the 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 are estimated at $4,300 a year.

STRATEGIC OBJECTIVES:

This project promotes the Port's strategic objective to 'Be a Leader in Transportation Security' by providing a means for the expanded use of the TSA KCM program and minimizing impacts to Airport security.

BUSINESS PLAN OBJECTIVES:

This project supports the Aviation Division's strategic goal to operate a world-class international Airport by ensuring safe and secure operations through minimizing impacts to airport security.

TRIPLE BOTTOM LINE SUMMARY:

This project will help the environment by considering energy reduction and sustainability as part of design. It will help the Airport and the community by improving security and reducing congestion at the security checkpoints and exits.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Expand the existing security exits to accommodate the increased activity for known crew members. This would require the acquisition of adjacent space such as concession space for use as an expanded exit. This would not improve security and may impair security as larger exits would become more difficult to manage. This alternative would also reduce income to the Port and to affected concessions operators. This is not the recommended alternative.

Alternative 2: Integrate known crew members into the existing security checkpoints. This could increase congestion at the security checkpoints, which are already under strain from passenger use. This is not the recommended alternative.

Alternative 3: Provide two new locations for known crew member and employee use. This will provide locations away from vulnerable security exits and allow for the program to continue and expand once the security exits become equipped with exit lane breach control. **This is the recommended alternative.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None.