

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5c

ACTION ITEM

Date of Meeting October 23, 2012

DATE: October 11, 2012

TO: Tay Yoshitani, Chief Executive Officer

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

SUBJECT: Security Exit Lane Breach Control-Phase 1 (CIP #C800218)

Amount of This Request: \$850,000 **Source of Funds:** Airport Development Fund

Est. State and Local Taxes: \$51,500 **Est. Construction Jobs Created:** 15

Est. Total Project Cost: \$950,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to execute a contract for equipment, to design building modifications to accommodate the equipment, and to use Port crews for construction of the Security Exit Lane Breach Control project at Seattle-Tacoma International Airport. This authorization is for \$850,000 of a total estimated project cost of \$950,000.

SYNOPSIS:

Security breaches can occur at terminal exits when people enter a secured area through an exit without passing through the security checkpoint. This request is for a pilot project that will purchase and install automated security exit lane breach control technology devices at the Concourse B security exit to mitigate the potential for a costly security breach. The security exits are currently staffed with guards at a significant recurrent cost. The technology installed as part of this project will reduce the security risk factor of guards that can become distracted and inadvertently allow "unauthorized reverse flow." If the project is successful, the intention is to seek Commission authorization for a Phase 2 project to provide exit lane breach control at four additional security exits in the Airport terminal. This project was included in the 2012-2016 capital budget and plan of finance.

BACKGROUND:

Exit lane breach control technology is new to the Airport and to the United States. These systems have been in use at European airports for many years and this summer the technology was installed at McCarran International Airport in Las Vegas. The project will reduce the risk of a security breach at the Airport. A security breach could require that all people inside the sterile area be rescreened, which is very costly and disruptive to airline operations. The project will also increase overall security and redeploy guard staff to reduce ongoing costs.

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PROJECT JUSTIFICATION:

Currently, the five security exits at the Airport are staffed with guards who prevent anyone from crossing these exits into the secure area without authorization. Three exits are staffed by the Transportation Security Administration (TSA) and two are staffed by Port employees. Staffing these lanes with guards is a significant recurrent cost. This Phase 1 project is a pilot project that will purchase and install exit lane breach control equipment at only one of the five Airport terminal exits, the Concourse B Security Exit currently staffed by TSA. Exit B was chosen as a location since the existing hallway already provides much of the needed enclosure and because the passenger flow is more evenly diffused throughout the day than the sporadic flows at Exit C. The Port, in partnership with local TSA, will test this new technology at the Concourse B Security Exit for a period of up to six months. Upon completion of successful testing, the intention is to seek Commission authorization to install the same technology at the other four security exits at the Airport.

The current staffing situation causes an increased security risk when exit lanes are busy and the guard may be distracted. There have been incidents where "unauthorized reverse flow" has occurred causing a shutdown in access to sterile areas and delays for passengers. These delays are costly for both the airlines and the passengers whose flights are delayed when there is a security breach. The use of proven technology reduces the risk and also allows reduced costs in the long term.

As the aviation business climate increases the need for finding smarter and more economical solutions, technology based security systems not only streamline processes, but significantly reduce operating costs. By deploying equipment staff can be redeployed to tasks that require human interaction.

Technology that matches our needs has been successfully tested and deployed throughout European airports as a means to control exit-to-sterile-area access points.

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

This project will purchase automated security exit lane breach control equipment, design the emergency bypass lane and security camera system, and assemble the equipment and construct the bypass lane. The equipment utilizes partitions, doors, sensors and alarms to automatically detect and prevent the backflow of people and objects through the exit lane from the non-secure to the secure side of the Airport terminal building.

Since this technology is new to this country, good information on this type of equipment and its cost is not readily available. Port staff took the unusual step to undertake procurement before the project was approved in order to understand what was available and determine if the equipment was cost-effective to meet the security needs of the Airport. We advertised a request for information and request for proposals using preliminary planning funds. The Port is now seeking Commission authorization to execute a contract to purchase the equipment, design an emergency bypass lane next to the pre-fabricated exit lane equipment, and assemble/construct the equipment and emergency bypass lane using Port crews.

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Schedule:

The project schedule is as follows:

- Commission Authorization for Contract Execution, Design, and Construction
October 2012
- Design
November 2012
- Purchase Equipment
November 2012
- Construction by Port Crews
March-May 2013
- Complete First 30 Days of Testing Installed Equipment
June 2013

FINANCIAL IMPLICATIONS:

| <i>Budget/Authorization Summary:</i> | Capital | Expense | Total Project |
|--|----------------|----------------|----------------------|
| Original Budget | \$1,000,000 | \$0 | \$1,000,000 |
| Budget (Decrease) | (\$ 50,000) | \$0 | (\$ 50,000) |
| Revised Budget | \$ 950,000 | \$0 | \$ 950,000 |
| Previous Authorizations | \$ 100,000 | \$0 | \$ 100,000 |
| Current request for authorization | \$ 850,000 | \$0 | \$ 850,000 |
| Total Authorizations, including this request | \$ 950,000 | \$0 | \$ 950,000 |
| Remaining budget to be authorized | \$ 0 | \$0 | \$ 0 |

| <i>Project Cost Breakdown</i> | This Request | Total Project |
|--------------------------------------|---------------------|----------------------|
| Construction costs | \$ 354,200 | \$ 354,200 |
| Port Purchased Equipment | \$ 188,000 | \$ 188,000 |
| Sales tax | \$ 51,500 | \$ 51,500 |
| Design services | \$ 95,600 | \$ 145,600 |
| Aviation PMG and other soft costs | \$ 160,700 | \$ 210,700 |
| Total | \$ 850,000 | \$ 950,000 |

Budget Status and Source of Funds

This project (CIP #C800218) was included in the 2012-2016 capital budget and plan of finance as a business plan prospective project. The funding source will be the Airport Development Fund.

Financial Analysis and Summary

| | |
|---------------------------------------|---------------------------------------|
| CIP Category | Compliance |
| Project Type | Health, Safety and Security |
| Risk adjusted Discount rate | N/A |
| Key risk factors | N/A |
| Project cost for analysis | \$950,000 |
| Business Unit (BU) | Airfield |
| Effect on business performance | NOI after depreciation will increase. |

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|-------------------|---|
| IRR/NPV | N/A |
| CPE Impact | CPE will increase by less than \$.01 in 2014, but no change to business plan forecast as this project was included. |

Lifecycle Cost and Savings:

There will be annual operating and maintenance cost increases to maintain the new system and a reduction in the ongoing operating and maintenance costs for the existing portal backflow detector that is near the end of its useful life and will be removed.

The annual costs of staffing an exit are approximately half the cost of the capital costs, suggesting a payback within a 2-3 year period. For this project, the savings would be realized by TSA.

STRATEGIC OBJECTIVES:

The project will support the strategic objective of the Airport being a leader in transportation security by installing and testing a new security exit breach control system at the Airport. The project ensures Airport vitality by providing enhanced security at security exit points, which benefits our passengers and airline partners.

BUSINESS PLAN OBJECTIVES:

This project supports the Airport's strategic goal of operating a world-class international airport by ensuring safe and secure operations through enhanced security.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

Alternative 1: Procure security exit breach control for all five security exits for the Airport at once. This would not allow for testing of the system prior to purchase and installation for the remaining exits. This is not the recommended alternative.

Alternative 2 (Do Nothing): This results in continued operation with the current annual staffing costs and security risk factor. This is not the recommended alternative.

Alternative 3: Purchase automated security exit lane breach control equipment, design the emergency bypass lane and security camera system and assemble the equipment and construct the bypass lane at the Concourse B Security Exit as a pilot project. Once proven successful in the field, seek authorization for a project for the remaining security exits. This is the recommended alternative.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

Concourse B Security Exit Location Diagram

Concourse B Security Exit Lane Diagram

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None.