

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

**COMMISSION AGENDA**

**Item No.** 5c

**ACTION ITEM**

**Date of Meeting** November 6, 2012

**DATE:** October 26, 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 Access Control Door Additions Project Rebid (CIPs #C800414 and #C800556)

**Amount of This Request:** \$1,980,000

**Source of Funds:** Airport Development Fund

**Est. State and Local Taxes:** \$120,600

**Est. Jobs Created:** 36

**Est. Total Project Cost:** \$2,280,000

**ACTION REQUESTED:**

Request Port Commission authorization for the Chief Executive Officer to: (1) re-advertise and execute construction contracts for the Security Access Control Door Additions project at Seattle-Tacoma International Airport; (2) increase budget by \$480,000 for a total estimated project cost of \$2,280,000; and (3) transfer \$800,000 of budget and scope from the Security Access Control Door Additions Project (CIP #C800414) to the NorthSTAR North Satellite Renovation & North Satellite Transit Station (NSTS) Lobbies project (CIP #C800556).

**SYNOPSIS:**

The Security Access Control Door Additions project will increase security at the Airport by adding biometric access control to 33 doors. Twenty-seven of the doors access aircraft bridges and six of the doors access terminal mechanical and service areas. The new biometric access (security card swipe plus manual code entry with optional fingerprint scan) provides improved security over the existing cipher lock system, which is a push-button locking system that permits entry using a four-to-six digit code. The biometric access system will also include intercoms and cameras. It is appropriate to upgrade aircraft bridge doors (and others) as more airlines will be sharing bridges in the future. The new security systems will minimize the potential for unauthorized individuals to gain access to the secure area at the Airport.

On April 3, 2012, the Commission authorized advertisement for bids for a construction contract to install biometric access controls on security doors at the Airport terminal for the Security Access Control Door Additions Project (C800414). The engineer's cost estimate for this work was \$808,600. Bids were opened on May 15, 2012, and found to be irregular: there was only one bidder and that bid came in at more than 48% above the engineer's cost estimate. After analysis, it was determined that the best course of action would be to cancel the bids, redesign the project,

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

October 26, 2012

Page 2 of 5

and seek authority to re-advertise the contract once the redesign was complete. The Commission was notified on May 25, 2012, of this direction.

This project was included in the 2013-2017 capital budget and plan of finance with a budget of \$1,800,000. The budget increase is due to direct construction costs that were missing from the original cost estimate, increased soft costs for the duplicated efforts to re-design and re-bid, and the additional soft costs to break the project into two parts with two different bid and construction activities.

Staff requests authorization to transfer the scope and budget for the North Satellite work (12 doors) to the NorthSTAR program to avoid the potential additional costs to reinstall access controls if gates are reconfigured during the North Satellite renovation project.

### **BACKGROUND:**

In the first bid advertisement, we believe that some of the project specification language created uncertainties with bidders. In the redesign, the Port re-evaluated the door specification and decided a sole-source waiver was appropriate to obtain component parts of the access control door equipment. This was done since there is only one source for the product that is compatible with existing Port infrastructure, which is required for inter-operability.

The scope of the project and this authorization includes 12 doors located within the North Satellite. The preliminary scope of the NorthSTAR North Satellite Renovation & NSTS Lobbies project (NSAT) (CIP #C800556), a component of the NorthSTAR program, may reconfigure gate locations resulting in some or all of the doors receiving the new access control system to be relocated. To avoid additional construction costs to the NSAT project having to relocate doors with the new access control systems, to improve efficiency and to reduce operational impacts, staff requests that the scope and budget for the 12 NSAT doors be transferred to the NSAT project.

Now that the project has been redesigned with additional wiring detail drawings, we are returning to the Commission to request authorization to re-advertise and execute a construction contract for the main terminal portion of the Access Control Door Additions project (CIP #C800414) now, and to request authorization to advertise and execute a construction contract in the future when the NSAT project is authorized for construction in 2014. We are also requesting authorization to transfer \$800,000 in scope and budget from the Security Access Control Door Additions project (C800414) to the NorthSTAR North Satellite Renovation & NSTS Lobbies project (C800556).

### **PROJECT JUSTIFICATION:**

The doors accessing secure areas today are controlled by cipher/key locks. This project will bring the doors up to the security standards of the rest of the Airport terminal by adding biometric card readers. This will reduce the time and costs associated with identifying and apprehending individuals who attempt to gain unauthorized access to secure areas. Additionally, as Concourse D changes to more common use gates, having a standard system in place will be of significant assistance for security compliance and customer service support.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

October 26, 2012

Page 3 of 5

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

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

These projects will install new biometric card readers, controllers, security cameras, intercoms, and associated wiring and conduit at 33 doors throughout the Airport terminal, on Concourses B, C, D, and A (ramp level), South Satellite (ramp level), and North Satellite.

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

The project schedule is as follows:

- Bid Opening & Rejection of Bid May 2012
- Redesign June-September 2012
- Commission Reauthorization for Construction November 2012
- Construction C800414 start February 2013
- Construction C800414 complete June 2013
- Construction C800556 (NSAT project) start August 2014
- Construction C800556 (NSAT project) complete December 2016

### **FINANCIAL IMPLICATIONS:**

<b><i>Budget/Authorization Summary:</i></b>	Capital	Expense	Total Project
Original Budget	\$1,600,000	\$0	\$1,600,000
Previous Budget Increase	\$200,000		\$200,000
Current Budget Increase	\$480,000		\$480,000
Revised Budget	\$2,280,000	\$0	\$2,280,000
Previous Authorizations	\$ 300,000	\$0	\$ 300,000
Current request for authorization	\$1,980,000	\$0	\$ 1,980,000
Total Authorizations, including this request	\$2,280,000	\$0	\$ 2,280,000
Remaining budget to be authorized	\$ 0	\$0	\$ 0
Budget and Authorization Transfer to NorthSTAR project (CIP #C800544)	(\$ 800,000)	\$0	(\$ 800,000)
Budget and Authorization after transfer	\$1,480,000		\$1,480,000

<b><i>Project Cost Breakdown:</i></b>	This Request	Total Project
Construction costs	\$1,053,700	\$1,053,700
Port Purchased Equipment	\$ 250,500	\$ 250,500
Sales tax	\$ 120,600	\$ 120,600
In-house design services	\$ 0	\$ 152,000
Aviation PMG and other soft costs	\$ 555,200	\$ 703,200
Total	\$1,980,000	\$2,280,000

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

October 26, 2012

Page 4 of 5

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

This project was included in the 2013-17 capital budget and plan of finance. The budget increase has been transferred from the Aeronautical Allowance CIP #C800404, a business plan prospective project, resulting in no net change to the Aviation capital budget. The funding source will be the Airport Development Fund.

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

<b>CIP Category</b>	Compliance
<b>Project Type</b>	Health, Safety and Security
<b>Risk adjusted Discount rate</b>	N/A
<b>Key risk factors</b>	N/A
<b>Project cost for analysis</b>	\$2,280,000
<b>Business Unit (BU)</b>	Airfield
<b>Effect on business performance</b>	NOI after depreciation will increase.
<b>IRR/NPV</b>	N/A
<b>CPE Impact</b>	CPE will increase by \$.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 system. However, it has been determined that the ongoing operating and maintenance costs identified for this project will be offset by eliminating existing costs associated with changing the access codes on the cipher lock equipped doors multiple times annually.

### **STRATEGIC OBJECTIVES:**

The projects will support the strategic objective of the Airport being a leader in transportation security. The projects ensure Airport vitality by providing enhanced security and asset renewal at security access 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. The project will allow the Airport's airline partners to have uniform security plans for all of their gates and this supports the Airport business plan objective of continually investing in a culture of business agility.

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

Alternative 1: Install only the biometric card reader system, but not the cameras. This alternative would not provide the ability of security personnel to remotely observe activity at the doors. This is not the recommended alternative.

Alternative 2 (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 cipher locks/keys. This is not the recommended alternative.

## **COMMISSION AGENDA**

Tay Yoshitani, Chief Executive Officer

October 26, 2012

Page 5 of 5

Alternative 3: Install new biometric card readers, controllers, security cameras, intercoms, and associated wiring and conduit at 33 doors throughout the Airport terminal, on Concourses B, C, D, and A (ramp level), South Satellite (ramp level) and North Satellite. **This is the recommended alternative.**

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

None.

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

On July 24, 2012, the Port Commission authorized design, construction support services and project management services and overall project support in an amount not to exceed \$32,000,000 for the renovation of the North Satellite passenger terminal and the Satellite Transit System station lobbies (North Satellite / Concourse C / North Baggage Claim) at Seattle-Tacoma International Airport for an eventual total estimated project cost of \$194,300,000.

On June 26, 2012, the Port Commission was briefed on the NorthSTAR program.

On May 25, 2012, the Port Commission was notified that the construction contract for C800414-Security Access Control Door Additions project would be cancelled, the project re-designed and re-advertised at later date.

On April 10, 2012, the Port Commission authorized the execution of consultant contracts for the NorthSTAR program including design and construction support services; program management services; and the completion of site surveys for regulated materials management, in the amount of \$1,200,000.

On April 3, 2012, the Port Commission authorized advertisement and execution of a construction contract for the Security Access Control Door Additions project at Seattle-Tacoma International Airport in the amount of \$1,500,000 of a total estimated project cost of \$1,800,000.

On September 27, 2011, the Port Commission authorized design of the Security Access Control Door Additions project (C800414) at the Airport in the amount of \$300,000.