COMMISSION AGENDA
ACTION ITEM

Item No.	4e
Date of Meeting	March 24, 2015

DATE: March 17, 2015

TO: Ted Fick, Chief Executive Officer

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

SUBJECT: Closed Circuit Television (CCTV) Improvements Phase 2 (CIP #C800642)

Amount of This Request:	$2,936,000	**Source of Funds:**	TSA Grant and Airport Development Fund
Est. Total Project Cost:	$11,000,000		
Est. State and Local Taxes:	$615,000		

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to (1) authorize the procurement of required hardware, software, and vendor services; (2) authorize Port staff to implement the upgrade of the Airport Video Management System for an additional $2,936,000; and (3) authorize procurement of post-implementation maintenance contracts. This request would increase this project's authorization to $4,074,000 out of an estimated total project cost of $11,000,000.

SYNOPSIS

On September 11, 2014, the Port Commission authorized the design of the CCTV Phase 2 Project to upgrade existing surveillance cameras, add additional cameras and provide an upgraded Video Management System (VMS) for the Airport. The proposed upgrades will support security enhancements desired by the Transportation Security Administration (TSA) as well as Port of Seattle Airport Security, Port Police, and Airport Operations. TSA has executed a $7.4 million grant with the Port of Seattle to fund this project and anticipates up to $10 million in total grant funding. This project was included in the 2015-2019 capital budget and plan of finance.

While design for the additional cameras is in progress, this request will allow us to move forward with the upgrade of the VMS to provide capacity for additional cameras and improved access to video for Airport Security and Emergency Responders. Information and Communication Technology (ICT) and Aviation Maintenance resources will be utilized to complete the project. Total project costs for the VMS upgrade are estimated to be $3,500,000, which includes $564,000 from the original design authorization. Additional recurring software license and maintenance costs of $70,000 will be budgeted within the Aviation Maintenance operating

budget. Should the Port decide at a future date not to proceed with construction of any additional cameras, this action would still result in a sound investment as it would improve the end user experience as outlined in the project justification below.

BACKGROUND

The Port utilizes Genetec Omnicast product for our current VMS. This system was competitively procured and installed in 2009 and was last upgraded in 2012. Omnicast currently captures, stores, and makes available for replay, the video from over 1,000 cameras in place throughout the Airport and is used by Airport Security, Airport Operations, Port Police, TSA, and individual airlines.

In 2014, as an initial task for this project, staff evaluated the alternatives of replacing or upgrading the Genetec VMS. The upgrade option provided compelling advantages including lower cost, less risky transition and cutover, user familiarity, and less need for training. Staff estimates the cost saving of an upgrade rather than complete replacement at approximately $1.5 million. Because of the size of the Airport's video system, there are few products with a demonstrated capability to manage it. The few competitive alternative products did not offer features compelling enough to outweigh the additional cost.

PROJECT JUSTIFICATION AND DETAILS

An enhanced VMS system will better support the Port and TSA in responding to security incidents in the Airport and surrounding properties by providing additional camera views, easier and faster access to video streams and increased video archive capacity. The current VMS will be unable to support the additional cameras identified in this program without an investment in the storage infrastructure.

Project Objectives

- Increase video storage capacity to accommodate additional cameras
- Significantly improve response time to deliver video access to Airport and TSA and Emergency responders by providing camera maps and linkages
- Provide video access to airline partners
- Ensure VMS availability for critical safety and security operations by replacing aging hardware and software.

Scope of Work

- Purchase hardware and associated equipment to meet increased data storage requirements
- Upgrade Genetec Video Management Software
- Implement a map-based graphical user interface for camera management.

Schedule

Authorize Video Management System Upgrade	Q1 2015
Procurement Complete	Q3 2015
Upgrade Complete	Q4 2016
System Acceptance	Q4 2016

FINANCIAL IMPLICATIONS

Budget/Authorization Summary	Capital	Expense	Total Project
Original Budget	$11,000,000	$0	$11,000,000
Previous Authorizations	$1,138,000	$0	$1,138,000
Current request for authorization	$2,936,000	$0	$2,936,000
Total Authorizations, including this request	$4,074,000	$0	$4,074,000
Remaining budget to be authorized	$6,926,000	$0	$6,926,000
Total Estimated Project Cost	$11,000,000	$0	$11,000,000

Project Cost Breakdown	This Authorization	Total Project
Design Phase	0	$1,138,000
System Implementation	$1,580,000	$1,580,000
Hardware and Software	$1,241,500	$1,241,500
Construction Phase	$0	$6,425,500
State & Local Taxes (estimated)	$114,500	$615,000
Total	$2,936,000	$11,000,000

Budget Status and Source of Funds

The CCTV Upgrade Project (CIP C800642) is included in the 2015-2019 capital budget and plan of finance with a capital budget of $11,000,000. The funding source is the Airport Development Fund and TSA grants. TSA has executed an Other Transaction Agreement grant in the amount of $7,387,790 to fund eligible costs. Another TSA grant is anticipated in the future to bring the total grant funded portion to $10,000,000. If the additional grant is not received, the project scope and budget will be reduced to eliminate the lower priority cameras.

Financial Analysis and Summary

CIP Category	Renewal and Replacement
Project Type	Technology
Risk adjusted discount rate	N/A
Key risk factors	N/A
Project cost for analysis	$11,000,000
Business Unit (BU)	Terminal Building
Effect on business performance	NOI will decrease
IRR/NPV	N/A
CPE Impact	$.01 in 2017

Lifecycle Cost and Savings

Annual software license and maintenance fees of $50,000 in 2015 are expected to increase to $100,000 beginning in 2016 to accommodate the increase in cameras and functionality. This will be budgeted in the Aviation Maintenance operating budget and approved as part of the annual budget process and is not included in the $11,000,000 total estimated project cost. Aviation Maintenance estimates the need for approximately 400 hours of service to support the system and provide on-going camera mapping activity. This additional workload will be distributed amongst the existing workforce. No additional FTE will be required as a result of this project.

STRATEGIES AND OBJECTIVES

This project supports the Aviation Strategy of Operating a World Class Airport by ensuring safe and secure operations. An upgraded VMS will provide increased security at the Airport for passengers and Airport tenants.

TRIPLE BOTTOM LINE

Economic Development

This VMS project represents an investment in our current facilities and supports the long term vitality of the Airport, Airlines and Airport tenants.

Environmental Responsibility

This is a system internal to the Airport and will have a negligible effect on the environment.

Community Benefits

Enhanced VMS coverage will provide increased security for passengers and traveling public.

Small Business Opportunities

The project manager will coordinate with the Office of Social Responsibility to maximize small business opportunities.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1: Purchase new system via a competitive procurement.
- Pros: While not supported with initial investigation, there may be a vendor solution available that better meets Port requirements.
- Cons: Research indicates that Port requirements cannot be better met with another Video Management system and the estimated cost of a replacement is $1,500,000 higher than that of an upgrade. Going through the RFP process will extend the schedule.

This is not the recommended alternative.

Alternative 2: Utilize existing VMS version.
- Pros: Capital dollars would not be expended and staff would be reallocated to other efforts.
- Cons: The current system will not support the data storage requirements of the planned additional cameras, camera mapping would not be delivered, and aging hardware of the existing system will increase availability risks in the near future.

This is not the recommended alternative.

Alternative 3: Upgrade existing system.
- Pros: Utilizing TSA grant funding to upgrade the airport VMS is the most cost effective way to support additional cameras, improve access to video, and ensure continued availability of this critical system.
- Cons: A full evaluation of available products will not be considered without a competitive procurement.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST
- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS
- September 11, 2014 – The Commission authorized $1,078,000 for design of the CCTV phase 2 project.