

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4g
Date of Meeting September 22, 2015

DATE: August 26, 2015
TO: Ted Fick, Chief Executive Officer
FROM: Wendy Reiter, Director, Aviation Security and Emergency Preparedness
Christian Samlaska, Senior Manager, Aviation Security
SUBJECT: Contract for Transportation Security Administration (TSA) Mandated Background Checks

Amount of This Request: Estimated \$3.1 million **Source of Funds:** Airport Development Fund

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to execute a contract to provide TSA-mandated background checks for badged employees. The total estimated value of this request is \$3.1 million for a seven-year contract (one base year with six one-year options).

SYNOPSIS

All regulated, commercial airports are required to conduct background checks as described in 49 CFR 1542.209 on every badged employee who may access restricted areas without going through screening at a TSA checkpoint. The Port of Seattle now manages and distributes about 16,500 badges. The current annual growth rate (through new business and turnover) is a little over 15 percent. The background checks are two-fold. 1) One fingerprint submission is sent electronically to a channeling service. The information is then distributed to the FBI database for a Criminal History Records Check (CHRC), which is returned to the airport. 2) Other data is transmitted to the TSA for a separate Security Threat Assessment (STA). This data does not come back to the airport; however, the TSA sends a “pass” or “fail” status to the airport for the STA once complete. All background checks are conducted by vendors selected and certified by the Department of Homeland Security (DHS) /TSA.

BACKGROUND

The TSA recently issued a new mandate that requires full background checks be conducted on all badged employees every two years. Previously, fingerprinting was only required once prior to the start of a job. TSA has identified three approved vendors: Transportation Security Clearinghouse (TSC), Telos, and MorphoTrust. However, MorphoTrust has since pulled out of the service, leaving two vendors to choose from for the required background checks.

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

August 26, 2015

Page 2 of 3

PROJECT JUSTIFICATION AND DETAILS

Scope of Work

Fingerprint and other data to be submitted electronically to a channeling service on all badged employees.

Schedule

Current contract expires December 31, 2015. The new contract date would be January 1, 2016, for maximum duration of seven years.

FINANCIAL IMPLICATIONS

Budget Status and Source of Funds

The cost of the badging background check is in the annual operating budget. The funding source is the Airport Development Fund. If we change vendors, the interface with the new vendor is estimated to cost \$40,000.

The Aviation Credential Center operates on a cost recovery basis. The badge fee is set to recover the Credential Center costs including these background services (fingerprinting and security threat assessments).

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Issue a competitive waiver contract to the current vendor.

Pros:

- Vendor is a known quantity and currently meeting our needs.
- The Port will not need to spend approximately \$40,000 for an interface between the new vendor system and our badging system.

Cons:

- This is inconsistent with Port's policy to compete contracts over \$150,000.
- Negotiating fair and reasonable rates on contracts without a competitive threat is more challenging. Port may not see cost savings without competition.

This is not the recommended alternative.

Alternative 2) – Compete new contract.

Pros:

- We anticipate that through a competitive process, we will negotiate lower service cost.

COMMISSION AGENDA

Ted Fick, Chief Executive Officer

August 26, 2015

Page 3 of 3

Cons:

- Potential change in vendors could create some issues with transition during data migration. A change in vendor will generate a likely cost of \$40,000 for system data migration.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

- Attached Badging Projections Document

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None