



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6f

ACTION ITEM

Date of Meeting February 11, 2020

DATE: February 3, 2020

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director Aviation Operations
Wayne Grotheer, Director Aviation Project Management

SUBJECT: Seating Replacement and Electrical Infrastructure Project (CIP #C800959)

Amount of this request: \$1,700,000
Total estimated project cost: \$10,300,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) prepare design and bid documents and (2) purchase a portion of time-sensitive seating now for the Seating Replacement and Electrical Infrastructure project at Seattle-Tacoma International Airport in an amount not to exceed \$1,700,000 out of a total estimated project cost of \$10,300,000.

EXECUTIVE SUMMARY

The purpose of this project is to improve passenger experience by continuing to replace older existing seating with the Port's current standard seating that includes electrical charging. This project will purchase and install new gate holdroom seating for Concourse A and construct electrical infrastructure so that passengers can charge their electronic devices from their seats. This project will also install bench seating for passenger recomposure at security checkpoints and lounge seating at two locations: the South Satellite Club at SEA and an area in the South Satellite west end concourse level.

This request, should it be authorized, would allow the project to start design. It would also allow immediate purchase of some seating in need of replacement due to its condition. To meet this need, the project would purchase approximately 400 seats now. The remainder of the seating, approximately 2600 seats, would be purchased later as a part of this project's next authorization request scheduled for Q1 2021.

The Port has previously completed projects that installed new gate holdroom seating and electrical power at Concourses B and C, the North Satellite, and the Concourse D Annex, in accordance with the Airport seating standard. This project continues implementation of new seating and electrical power throughout the Airport terminal.

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The Airport's gate seating standard is primarily row seating and a small amount of accent seating that provides more color options, aesthetic variety, and/or extra comfort. Older existing seats will be relocated to airport areas in need of seating or will be removed through the Port Asset Disposition process.

JUSTIFICATION

In a Gate Comfort Study, travelers expressed many factors that contribute to their comfort while waiting at gates. The biggest need for improvement identified in the study was for the provision of electrical power at seating, as well as availability of comfortable seating in the boarding area. The installation of new seating when combined with electrical charging capability satisfies this need. This project will replace existing older seating and offer a consistent airport experience regardless of location. The project will provide seating that meets the needs of people with reduced mobility.

Diversity in Contracting

This project plans to use an existing architect design services IDIQ contract which includes small business requirements. For construction, project staff will work with the Diversity in Contracting Department to identify a woman and minority business enterprise (WMBE) aspirational goals.

DETAILS

Gate holdrooms will remain operational throughout the project. Construction and seating removal and installation will occur off-hours to minimize disruptions.

The South Satellite concourse level includes a specific seating area (Relaxation Area) at the west end for which this project will replace seating, but not include electrical charging capability. The replacement of these seats is required due to the condition of the existing seating. The project scope does not include replacement of seating on Concourse D or South Satellite gate holdrooms. Work in those areas will be completed by future projects after new electrical infrastructure is constructed to provide the necessary electrical capacity.

Scope of Work

This project will purchase and install new seating and construct electrical infrastructure as described below:

- (1) Electrical infrastructure, including new electrical panels, new conduit and wiring, and recessed floor receptacles (approximately 20 per holdroom), on Concourse A to provide charging capability for passengers
- (2) Seating on Concourse A gate holdrooms with electrical charging
- (3) Seating at The Club at SEA lounge at the South Satellite with electrical charging for some seats re-using existing electrical circuits

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- (4) Seating at the Relaxation Area at the west end of the South Satellite with no electrical charging
- (5) Seating at passenger security checkpoint recomposure areas (without charging capability as these locations are intended for transitional use only)

<i>Seating Location</i>	<i>Type of Seating</i>	<i>Electrical Charging at Seats?</i>
Concourse A Gate Holdrooms	Primarily row seating and a small amount of accent seating	Row seating – Yes Accent seating – if possible
Club at SEA at South Satellite	Lounge-style seating	At some seats, utilizing existing wall outlets
Relaxation Area at South Satellite West End	Lounge-style seating	No
Security Checkpoints	Bench seating	No

Schedule

Activity

Design start	2020 Quarter 2
Commission construction authorization	2021 Quarter 1
Construction start	2021 Quarter 3
In-use date	2022 Quarter 2

Cost Breakdown

	This Request	Total Project
Design	\$1,700,000	\$1,700,000
Construction	\$0	\$8,600,000
Total	\$1,700,000	\$10,300,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Provide only row seating with electrical charging and no accent seating in the Concourse A gate holdrooms. Provide lounge-style seating for the Club at SEA on South Satellite and at the relaxation area at the west end of South Satellite. Provide bench seating at security checkpoints.

Cost Implications: \$10,000,000

Pros:

- (1) Row seating is more durable than the accent seating.
- (2) Row seating typically provides more seats in a given space than accent seating (greater seating density).

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Cons:

- (1) Passengers will not have the opportunity to enjoy aesthetic variety, extra comfort, or color variation in the accent seating.

This is not the recommended alternative.

Alternative 2 – Provide row seating with electrical charging and accent seating in the Concourse A gate hold rooms. Provide row seating without electrical charging and accent seating in the Concourse D gate holdrooms due to the lack of available electrical power. Provide lounge-style seating for the Club at SEA on South Satellite and at the relaxation area at the west end of South Satellite. Provide bench seating at security checkpoints.

Cost Implications: \$14,000,000

Pros:

- (1) Continues implementation of a portion of the Port’s new standard seating throughout the airport facility by providing new holdroom seating on Concourses A and D.

Cons:

- (1) Does not meet the Port’s seating standard or passenger expectations that new seating provides charging capability. This could even diminish the passenger experience by having non-functional charging capability until electrical infrastructure can be upgraded.

This is not the recommended alternative.

Alternative 3 – Provide row seating with electrical charging and accent seating in the Concourse A gate hold rooms. Provide lounge-style seating for the Club at SEA on South Satellite and at the relaxation area at the west end of South Satellite. Provide bench seating at security checkpoints.

Cost Implications: \$10,300,000

Pros:

- (1) Improves passenger experience
- (2) Continues implementation of the Port’s new seating standard throughout the airport facility by providing new holdroom seating on Concourse A.
- (3) Provides passengers with aesthetic variety, extra comfort, or color variation in the supplemental seating.

Cons:

- (1) Does not include seating on Concourse D. A future seating project would need to provide seating on Concourse D after the electrical infrastructure is upgraded on that concourse.
- (2) Includes accent seating that is aesthetically pleasing, however, is less durable than the row seating and may need to be replaced more often.

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- (3) Includes accent seating that will fit fewer seats in a given space than row seating (lower seating density).

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Expense costs are for procurement of seating at lounge, relaxation area, security checkpoints, and gate alternate seating. Those seats (fabric upholstery or less durable materials) are assets that are not expected to last more than three years due to the high level of use and therefore cannot be capitalized, so the costs are treated as expenses.

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$14,347,000	\$0	\$14,347,000
Scope and cost revisions	(\$5,277,000)	\$1,230,000	(\$4,047,000)
Revised estimate	\$9,070,000	\$1,230,000	\$10,300,000
AUTHORIZATION			
Previous authorizations	\$50,000	\$0	\$50,000
Current request for authorization	\$1,200,000	\$500,000	\$1,700,000
Total authorizations, including this request	\$1,250,000	\$500,000	\$1,750,000
Remaining amount to be authorized	\$7,820,000	\$730,000	\$8,550,000

Annual Budget Status and Source of Funds

This project, CIP C800722, was included in the 2020-2024 capital budget and plan of finance with a budget of \$14,347,000. The capital budget decreased due to the following: (1) a reduction in scope removing the work from Concourse D; and (2) some of the seating is anticipated to be expense rather than capital. The expense furniture is not in the 2020 budget because it was not known at that time, and it might not be needed, but if it is, the Aviation Division will strive to absorb it. The reduced capital cost was transferred to the Aeronautical Reserve CIP (C800753) resulting in zero net change to the Aviation capital budget. The funding source will be revenue bonds.

Financial Analysis and Summary

Project cost for analysis	\$10,300,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase due to inclusion of capital (and operating) costs in airline rate base.
IRR/NPV (if relevant)	N/A
CPE Impact	\$0.06 in 2022, and \$0.02 in following years.

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Future Revenues and Expenses (Total cost of ownership)

Maintenance of the new row seating will be less expensive than old row seating, because damaged components can be removed easily with just a few fasteners. The accent and lounge-style seating tend to be less durable than row seating and will need to be repaired/replaced more frequently, but no more frequently than existing accent seating.

ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

April 11, 2017 – The Commission authorized new seating on Concourses B and C for \$9,300,000.