Port of Seattle

COMMISSION
AGENDA MEMORANDUM

ACTION ITEM

Item No.	8a
Date of Meeting	March 10, 2020

DATE: February 26, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Eric Schinfeld, Sr. Manager, Federal & International Government Relations
Dave Wilson, Director, Airport Innovation

SUBJECT: Direction to Implement Biometric Air Exit Policies and Authorize a Request for Proposal for a Biometric Air Exit System for Up To 30 International Boarding Gates (CIP #C801150)

Amount of this request:	$5,715,000
Total estimated project cost:	$5,715,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) award and execute a contract for a Biometric Air Exit system for up to 30 international boarding gates at Seattle-Tacoma International Airport; and (2) implement Executive policies for regulating the use of biometric air exit systems at Port facilities.

Contract authorization includes (1) procuring hardware, software, vendor implementation services, and recurring maintenance fees for up to ten years; and (2) using port staff for construction and implementation; Total project cost for authorization of $5,715,000 is comprised of project costs of $2,715,000 and recurring maintenance costs for up to ten years estimated at $3,000,000 budgeted in annual operating budgets.

EXECUTIVE SUMMARY

On December 10, the Port Commission passed a motion establishing seven principles to govern biometric technology at Port facilities, and directing staff to develop tangible, enforceable policies to ensure the application of those principles.

Since that time, an internal Port staff working group and an External Advisory Group have been meeting to develop those policies; ultimately, there will be five sets of policies proposed by staff – one for each "use case" of biometrics at Port facilities:

- Biometric Air Exit
- Biometric Air and Cruise Entry
- Non-Federal Biometric Passenger Processing
- Biometrics for Customer Functions
- Biometrics for Law Enforcement and Security Functions

At this point, the Biometric Air Exit policies are the only use case that has been finalized by staff and vetted by the External Advisory Group. On February 18, the Port Commission Biometrics Special Committee reviewed the Biometric Air Exit Policies and recommended them to the full Commission; the Commission was briefed on February 25 in public session on those policies.

Given the preferences stated by Commissioners at those meetings, Executive Director Metruck is prepared to implement the Biometric Air Exit Policy Recommendations as Executive Policy – aligning with the Commission's December 10 Biometric Principles Motion calling for policy before any implementation of new biometric technologies.

As discussed at the February 25 meeting, the Port Commission can approve the implementation of a "common use" biometric air exit technology for departing international passenger processing, which has both policy and operational benefits relative to U.S. Customs and Border Protection (CBP) or airline implementation of biometric air exit. If authorized, this project will competitively procure and implement a system to facilitate passenger departures on international flights at thirty (30) Seattle Tacoma International Airport (Airport) gates servicing international flights using facial recognition technology that meets CBP standards. Both common use and preferential boarding gates would be included in the 30 gates.

The contract award will be contingent on full compliance with the Port's Biometric Air Exit Policies as implemented.

JUSTIFICATION

CBP has been mandated by Congress to implement biometric entry and exit systems for international passenger processing. As part of that effort, CBP is planning for the use of facial recognition technology as the primary processing procedure for arriving passengers into the new International Arrivals Facility (IAF) when it opens at the end of 2020. CBP promotes this technology as more accurate than today's manual process of a human comparison of a photo and a face, offering increased security and a more efficient entry process.

At its February 25 meeting, Commissioners expressed a preference for a "common use" biometric air exit solution, to maximize control over implementation of biometric air exit, rather than defer to CBP or airlines. Biometric air exit will happen at SEA one way or the other – either by CBP exerting their federal jurisdiction, or the Port taking it on – it is better for travelers for the Port to have control over ensuring that traveler rights are protected and customer service standards are upheld.

The system selected for use at the Airport will utilize the CBP Traveler Verification Service (TVS), a single source of images scheduled for a given international flight. Images captured by the Airport's biometric air exit system will be encrypted and securely transmitted to the TVS for immediate identity verification only. Biometric information captured in the Airport's biometric air exit system will be purged once the transmission is complete per CBP requirements.

Airport Innovation, Information and Communications Technology (ICT), Aviation Maintenance (AVM), Port Construction Services (PCS), Aviation Operations, Central Procurement Office (CPO), External Relations, other Port staff and the Airport's international airline partners will be collaborating on this project. Total capital costs for this project are estimated in the amount of $2,715,000. Annual software and maintenance costs are estimated initially at $420,000 and will be budgeted within the AVM operating budget.

This project was not included in the 2019-2023 capital budget and plan of finance. The amount of $2,600,000 will be transferred from the Aeronautical Allowance #C800753 resulting in no net change to the Aviation Division capital budget

Diversity in Contracting

Through Port Construction Services (PCS) for construction and implementation of the project, PCS will be utilizing small works contracts that will provide opportunities for WMBE utilization. Project staff is working with the Diversity in Contracting Department to determine if a direct WMBE aspirational goal should be assigned. Typically, subcontracting opportunities under small works projects are limited.

DETAILS

Scope of Work

(1) Procure, design, configure and implement a Biometric Air Exit system at 30 international gates – including both common use and preferential gates – providing 2 positions per gate for a total of 60 positions. The solution will meet the biometric regulatory and performance requirements established by the Department of Homeland Security (DHS) for Biometric Air Exit as well as the additional policy requirements set by the Port.
(2) Provide vendor-developed interface with the Departure Control Systems (DCS) of airlines operating international flights from SEA for a one-step process. While most airlines will participate, those that opt out of providing an interface, will still utilize the system in a two-step process.

Schedule

Commission authorization	2020 Quarter 1
Procurement Completion, pending Commission policymaking	2020 Quarter 3
Implementation	2021 Quarter 2

Cost Breakdown		This Request	Total Project
Project	Hardware/Software/Vendor Services	$1,765,000	$1,765,000
	Port of Seattle Labor	$950,000	$950,000
Total Project		$2,715,000	$2,715,000
Recurring Maintenance	Annual maintenance fees for up to ten years	$3,000,000	$3,000,000

Authorization		$5,715,000	$5,715,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Postpone project.

Project Cost Implications: $0

Pros:
   (1)   Budget is available for other capital projects.

Cons:
   (1)   CBP will implement instead, without the need to comply with Port Biometric Air Exit Policies.
   (2)   CBP implementation will impact international arrivals processing, due to diversion of staff and resources.

This is not the recommended alternative.

Alternative 2 – Procure and implement a Biometric Air Exit solution at thirty (30) SEA international departure gates.

Project Cost Implications: $2,715,000

Pros:
   (1)   Maximize Port control over implementation, ensuring alignment with Port Biometric Air Exit Policies.
   (2)   Provides a common use biometric air exit solution for all international flight departure gates which is more efficient than each carrier providing its own proprietary solution.

Cons:
   (1)   Potential reluctance of airline adoption and adaptation to gate procedures.
   (2)   Reception by passengers concerned about privacy issues.
   (3)   Adds layer of hardware, software and maintenance to the airport facility and passenger process.
   (4)   Implements relatively new technology that could have initial issues during deployment requiring additional support from internal and external resources.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$2,600,000	$3,115,000	$5,715,000
AUTHORIZATION			
Previous authorizations	0	0	0

Current request for authorization	$2,600,000	$3,115,000	$5,715,000
Total authorizations, including this request	$2,600,000	$3,115,000	$5,715,000
Remaining amount to be authorized	$0	$0	$0

Annual Budget Status and Source of Funds

This project C801150 was not included in the 2020-2024 capital budget and plan of finance. The capital budget of $2,600,000 will be transferred from the Aeronautical Allowance #C800753 resulting in no net change to the Aviation Division capital budget. The funding source would be Airport Development Fund (ADF). Recurring maintenance fees estimated at $3,000,000 for up to ten years will be budgeted annually in the Aviation Maintenance operating budget.

Financial Analysis and Summary

Project cost for analysis	$2,715,000
Business Unit (BU)	Terminal Gates
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)	NA
CPE Impact	$0.03 in 2021

Future Revenues and Expenses (Total cost of ownership)

Recurring costs for Aviation Maintenance support of the new system is estimated at $120,000 annually. This will be budgeted in the Aviation Maintenance operating budget.

ATTACHMENTS TO THIS REQUEST

Presentation slides
Draft Biometric Air Exit Policy Recommendations

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 25, 2020 – Biometric Working Group Progress Update
December 10, 2019 – Motion 2019-13 adopted: Biometrics Principles & establishing a working group.
October 29, 2019 – Second Biometrics Technology Study Session.
September 10, 2019 – First Commission Study Session on Biometrics.