



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8b

**ACTION ITEM**

**Date of Meeting** June 22, 2021

**DATE:** June 11, 2021

**TO:** Stephen P. Metruck, Executive Director

**FROM:** Dawn Hunter, Director, Aviation Commercial Management  
Wayne Grotheer, Director, Aviation Project Management

**SUBJECT: Consolidated Rental Car Facility Camera Replacement (CIP # C800975) Construction**

**Amount of this request:** \$1,511,000

**Total estimated project cost:** \$2,231,000

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to proceed with construction of the Consolidated Rental Car Facility Camera Replacement project using existing job order contracts at Seattle-Tacoma International Airport for an amount not-to-exceed \$1,511,000 of a total estimated project cost of \$2,231,000. (CIP # C800975)

**EXECUTIVE SUMMARY**

This project provides security enhancements to the Consolidated Rental Car Facility (CRCF) Camera Replacement project at Seattle-Tacoma International Airport (SEA) in response to the 2018 security assessment of the facility. The CRCF video camera system installed with the original building construction is now obsolete and has reached the end of its useful life. This system is necessary to continue to meet the security and RCF lease agreement requirements. Under the terms of the lease agreements with the rental car companies, replacement of the camera system is solely a Port responsibility.

This project will utilize existing Job Order Contracts to complete construction. During project definition the project budget required an increase to cover additional infrastructure modifications necessary to mitigate network shortfalls not identified when the initial budget was established.

**JUSTIFICATION**

The CRCF is chronically subject to theft attempts on rental cars, with a noticeable increase since 2017. The older cameras offered poor resolution, whereas the new cameras' higher resolution will provide useful information for security purposes.

Meeting Date: June 22, 2021

The security camera project is part of a larger effort by the Port and tenants at the CRCF to counter vehicle theft activity. This project will replace existing and add new cameras to cover additional areas within the facility. All replacement and new cameras are of the latest technology and include new mounts with related cabling and communications equipment.

***Diversity in Contracting***

This project will utilize a Job Order Contract (JOC) to construct this project’s scope of work. The overall JOC contract has a 16% Women and Minority Business Enterprise (WMBE) commitment goal. Each work order within the JOC strives to achieve this stated WMBE commitment.

**DETAILS**

***Scope of Work***

This project will replace existing cameras within the common areas and add additional cameras in areas currently having minimal or no coverage. Updated computer network equipment will be installed in the building communication rooms which will include upgraded cable from these rooms to the cameras.

These technological improvements will provide higher resolution images of the common areas of the facility. Consistent with Port policies, these cameras will not include any biometric screening capabilities.

***Schedule***

*Activity*

Construction start	2021 Quarter 3
In-use date	2022 Quarter 4

***Cost Breakdown***

	This Request	Total Project
Design	\$0	\$720,000
Construction	\$1,511,000	\$1,511,000
Total	\$1,511,000	\$2,231,000

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not proceed with construction; cancel project and expense design costs

Cost Implications: Expense Design Costs \$500,000

Pros:

- (1) Lowest cost option

Cons:

- (1) Does not address coverage gap identified within the CRCF
- (2) Would not improve the security coverage concerns of the facility.

Meeting Date: June 22, 2021

- (3) Does not meet the terms of the lease.

This is not the recommended alternative.

**Alternative 2** – Replace the existing cameras and add additional cameras as designed to provide more complete facility coverage.

Cost Implications: \$2,231,000

Pros:

- (1) Corrects the problem of poor image quality from existing cameras
- (2) Complies with the CRCF lease terms, which require the Port to undertake these repairs/replacements
- (3) Expands the existing camera system, upgrades the image capturing potential, responds to the security assessment and operation needs by reducing coverage gaps within the CRCF

Cons:

- (1) Costs more than Alternative 1

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

<b><i>Cost Estimate/Authorization Summary</i></b>	Capital	Total
<b>COST ESTIMATE</b>		
Original estimate	\$1,180,000	\$1,180,000
Previous changes – net	\$1,074,000	\$1,074,000
Revised estimate	\$2,254,000	\$2,254,000
Art (1% Transfer to Art CIP)	(\$23,000)	(\$23,000)
Revised Total	\$2,231,000	\$2,231,000
<b>AUTHORIZATION</b>		
Previous authorizations	\$720,000	\$720,000
Current request for authorization	\$1,511,000	\$1,511,000
Total authorizations, including this request	\$2,231,000	\$2,231,000
Remaining amount to be authorized	\$0	\$0

***Annual Budget Status and Source of Funds***

This project (CIP C800975) was included in the 2021-2025 capital budget and plan of finance with an estimated cost of \$2,254,000. There was a cost increase for scope expansion for additional infrastructure modifications necessary to mitigate network shortfalls not identified when the initial budget was established. Due to the 2019 Art Fund policy change, 1% of the project cost, \$23,000, will be transferred pending this request. The funding source will be Customer Facility Charges (CFCs).

Meeting Date: June 22, 2021

***Financial Analysis and Summary***

Project cost for analysis	\$2,231,000
Business Unit (BU)	Rental Car Facility
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease
IRR/NPV (if relevant)	N/A
CPE Impact	N/A

***Future Revenues and Expenses (Total cost of ownership)***

Aviation Maintenance would incur costs associated with the replacement of cameras as they fail. During design, the project team looked holistically to balance upfront costs with ongoing maintenance costs to arrive at the best overall financial decision for the Port. Aviation Maintenance involvement during design has resulted in a more innovative camera choice, resulting in reduced total number cameras required to be installed.

**ADDITIONAL BACKGROUND**

None

**ATTACHMENTS TO THIS REQUEST**

- (1) Presentation slides

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

December 10, 2019 – The Commission authorized design and a project budget increase.