



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6f

ACTION ITEM

Date of Meeting April 23, 2019

DATE: April 16, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Mike Ehl, Director, Airport Operations
Ken Warren, Program Leader, Aviation Project Management Group

SUBJECT: Air Cargo 5 Ground Boarding Facility (CIP #C801089) Authorization

Amount of this request: \$500,000

Total estimated project cost: \$550,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) authorize funding in the amount of \$500,000 for the design and construction of the Ground Boarding Facility at the Air Cargo 5 (AC-5) hardstand; and (2) authorize Port Construction Services(PCS)to support completion of the facility.

EXECUTIVE SUMMARY

This project will serve a two-fold purpose; first to support mitigation of NorthSTAR construction impacts to Alaska operations and second to accommodate increased use of Cargo 5 hardstand for multiple airline ground boarding operations. A “ground boarding” operation is when an aircraft is not brought to a passenger loading bridge connected to the airport terminal but embark/disembark via a mobile stairway and are then bused to the airport terminal. This is also known as a hardstand operation. The ground boarding facility will provide a space for the employees that service ground boarding operations to be out of the elements as they wait for the next operation. On approval of this action request, staff will be able to design and construct a prefabricated building with a restroom and breakroom for 15-20 airline employees.

The project will be executed as a separate CIP under the NorthSTAR program managed by the NorthSTAR project management team. The pre-fabricated trailer will be procured using a Port accessible, existing state contract, placed and with utilities tie-in work completed by PCS with design support from an existing, in-place Civil IDIQ service agreement.

The facilities to be provided by this project are targeted to be operational by summer 2019.

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This project was not included in the 2019-2023 capital budget and plan of finance. A budget was transferred from the Aeronautical Allowance C800753 and the funding source is the Airport Development Fund.

JUSTIFICATION

This project is critical to the expansion and renovation of North Satellite. The NorthSTAR program is in line with the Century Agenda goals of 1) Advancing this region as a leading tourism destination and business gateway by encouraging cost-effective expansion of domestic and international passenger and cargo service and 2) Be the greenest and most energy efficient port in North America.

The construction project at the North Satellite will close existing gates which will need to be relocated. It is expected that Alaska will operate multiple ground boarded flights each day at this hardstand. Additionally, this facility is available to all airline employees who have flights operating at the hardstand.

DETAILS

This facility and the ground boarding operations at Cargo 5 are an interim solution until the Sustainable Airport Master Plan (SAMP) is implemented (approx. 10 years). The facilities are required as part of the NSAT construction impact mitigation plan in the near term (summer 2019 through NSAT completion in late summer/early Fall 2021).

A pre-fabricated trailer will be set on the edge of pavement at Cargo 5. It will be connected to site utilities to provide a break room and toilet(s) for operating employees only. It is not intended for passenger use. No additional parking or further expansion is intended.

Scope of Work

The scope of work includes the following key elements:

- pre-fabricated modular structure (trailer) to accommodate 15 to 20 ground crew members with weather shelter, break room, and lavatory
- facility designed to address Port concerns re: security, accessibility, durability, location (minimum ramp footprint), and common use by airlines operating at Cargo 5
- development of a temporary solution (e.g., tent and portable toilet cabinets – short term fix until trailer can be set and connected, included in budget as contingency) will likely be required concurrent with execution of this scope to meet NSAT’s construction impact mitigation plan requirements

Diversity in Contracting

Work will be executed using Small Works contracts through PCS.

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Schedule

The milestone targets for this work are as follows.

Activity

Commission authorization of project	2019 Quarter 2
Design complete	2019 Quarter 2
Obtain permit(s)	2019 Quarter 2
Pre-fabricated trailer procurement complete	2019 Quarter 3
Provide interim, temporary solution	2019 Quarter 3
Construction (utility tie-in) complete	2019 Quarter 3
In-use date	2019 Quarter 3

Cost Breakdown

This Request

Total Project

	This Request	Total Project
Design	\$50,000	\$50,000
Construction	\$500,000	\$500,000
Total	\$550,000	\$550,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Relocate portion of AOA (aircraft operation area) fence and provide an open sided shelter structure adjacent to the ramp at AC-5 hardstand with portable toilet cabinets on the ramp.

Cost Implications: \$350,000 capital; \$7,000 annually

Pros:

- (1) Ease of accessibility as portable toilet cabinets would be staged on the ramp
- (2) No connections to utilities
- (3) Flexibility – portable toilet cabinets can be moved/relocated as required by operations

Cons:

- (1) Constrains already limited ramp space
- (2) High possibility of relocation in future
- (3) Requires relocation of the fence for shelter structure
- (4) Airlines are opposed to this option

This is not the recommended alternative.

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Alternative 2 – Provide a trailer with connection to water, sewer, and power on the ramp at AC-5 hardstand.

Cost Implications: \$550,000

Pros:

- (1) Ease of accessibility
- (2) Provides better durability for interim period before SAMP
- (3) Does not impact AOA fence

Cons:

- (1) Constrains already limited ramp space
- (2) High possibility of relocation in future
- (3) Potentially harder to connect to utilities, which could increase cost or delay schedule

This is the recommended alternative.

FINANCIAL IMPLICATIONS

This project was not included in the 2019-2023 capital budget and plan of finance. A budget was transferred from the Aeronautical Allowance (CIP #C800753) and the funding source is the Airport Development Fund.

Capital Expense Total

Cost Estimate/Authorization Summary

COST ESTIMATE			
Original estimate	\$550,000	\$0	\$550,000
AUTHORIZATION			
Previous authorizations	\$50,000	\$0	\$50,000
Current request for authorization	\$500,000	\$0	\$500,000
Total authorizations, including this request	\$550,000	\$0	\$550,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

The Employee Services Center Project (CIP #C801089) was not included in the 2019-2023 capital budget and plan of finance as a business plan prospective project. The budget was transferred from the Aeronautical Allowance (CIP #C800753) with no net change to the Aviation capital budget. The funding source will be Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	\$550,000
Business Unit (BU)	Airfield Apron Area
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$0.01 in 2019

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Future Revenues and Expenses (Total cost of ownership)

Provision of this facility, while overlooked during planning, will complete the ground boarding operational set-up that was first considered and committed to with the construction of the Concourse D Annex last year.

The Port will incur ongoing costs for regular janitorial, maintenance, and utility service of the trailer.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None