



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6i

ACTION ITEM **Commission Meeting Date** December 10, 2019

DATE: December 2, 2019
TO: Stephen P. Metruck, Executive Director
FROM: James Schone, Director, Aviation Commercial Management
Wayne Grotheer, Director, Aviation Project Management
SUBJECT: Rental Car Facility Camera Replacement (CIP #C800975)

Amount of this request: \$670,000
Total estimated project cost: \$2,254,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to proceed with design of the Rental Car Facility Camera Replacement project at Seattle-Tacoma International Airport in an amount not to exceed \$670,000 of a total estimated project cost of \$2,254,000.

EXECUTIVE SUMMARY

This project provides security enhancements to the Consolidated Rental Car Facility (CRCF) at the Airport in response to a recent security assessment of the facility. The CRCF opened for use in May 2012 and houses most rental car companies that have agreements with the Airport. The camera system originally installed as part of the facility’s construction to provide video coverage of its common areas is now obsolete and has reached the end of its useful life. This system is necessary to continue to meet the security and lease agreement requirements. Under the terms of the lease agreements with the rental car companies, replacement of the camera system is a port responsibility.

This project will replace the 24 existing cameras within the facility’s common areas as well as provide up to 32 additional cameras in areas with minimal or no coverage to better serve the security and operational needs of the facility’s tenants. New computer network equipment will be installed in the building’s communications rooms, and cable upgrades will be made from these rooms to the new cameras. New structural mounting details and improvements will be necessary for exterior cameras.

This project was included in the 2020-2024 capital budget and plan of finance with an estimated cost of \$1,180,000. The cost increase is due to scope additions, including additional camera infrastructure (network equipment and cable upgrades) not identified at the time the initial budget was established.

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JUSTIFICATION

The CRCF is chronically subject to theft attempts on the rental cars stored in this facility, with activity noticeably increasing in 2017 and 2018. Images provided by the existing camera system do not provide useful information for security purposes as they do not have sufficiently high resolution for identification purposes. In addition, there are portions of the CRCF that have no, or inadequate, camera coverage.

As part of a collaborative effort between the rental car companies located at the CRCF, their facility management firm, and the port, a security assessment was completed in 2018. That assessment included numerous recommendations, including installing additional security cameras in and around the CRCF site. The security camera project is part of a larger effort by the port and the tenants of the CRCF to counter the vehicle theft activity.

Diversity in Contracting

Design services under this authorization shall be procured through an existing indefinite delivery, indefinite quantity (IDIQ) contract, using that contract’s previously established small business contracting goals. Women- and minority-owned business enterprise construction goals shall be defined with the Diversity in Contracting department following design and prior to advertisement of the construction contract.

DETAILS

The project will replace 24 existing and install up to 32 additional cameras (56 cameras total), as recommended by the 2018 security assessment and key security stakeholders, and install related cabling and communications equipment located in and around the CRCF. The additional cameras are necessary to capture vehicle and pedestrian traffic in key areas around the CRCF.

Scope of Work

In addition to providing new camera devices at the CRCF, computer network switches will be installed in the building’s communications rooms and cable upgrades will be made from these rooms to the devices. New structural mounting details and improvements will also be necessary to support the enhanced camera network.

Schedule

Activity

Design start	2020 Quarter 1
Commission construction authorization	2020 Quarter 4
Construction start	2021 Quarter 1
In-use date	2021 Quarter 4

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Cost Breakdown	This Request	Total Project
Planning and Design Phase	\$670,000	\$720,000
Construction and Close Out Phase	\$0	\$1,534,000
Total	\$670,000	\$2,254,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 3 is the preferred alternative for the project.

Alternative 1 – Replace existing 24 cameras only, but do not expand the system.

Cost Implications: \$1,222,000

Pros:

- (1) Minimal cost option
- (2) Corrects the problem of poor image quality from existing cameras through use of high resolution and new camera technology

Cons:

- (1) Does not address the coverage gap within the CRCF
- (2) Does not respond to the 2018 security assessment

This is not the recommended alternative.

Alternative 2 – Replace the existing 24 cameras and add an additional 12 cameras to the system to address partial priority coverage concerns.

Cost Implications: \$1,772,000

Pros:

- (1) Corrects the problem of poor image quality from existing cameras through use of high resolution and new camera technology
- (2) Complies with the CRCF lease terms, which require the port to undertake these repairs/replacements
- (3) Minimally corrects the security coverage concerns of the facility

Cons:

- (1) Does not completely address the coverage gaps within the CRCF

This is not the recommended alternative.

Alternative 3 – Replace the 24 existing cameras and add an additional 32 cameras to provide more complete facility coverage.

Cost Implications: \$2,254,000

Pros:

- (1) Corrects the problem of poor image quality from existing cameras

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- (2) Expanding the existing camera system by 32 additional cameras (56 total) responds to the security assessment and operational needs of the facility by reducing coverage gaps within the CRCF

Cons:

- (1) Highest cost alternative

This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1,180,000	\$0	\$1,180,000
Current change	\$1,074,000	0	\$1,074,000
Revised estimate	\$2,254,000	0	\$2,254,000
AUTHORIZATION			
Previous authorizations	\$50,000	0	\$50,000
Current request for authorization	\$670,000	0	\$670,000
Total authorizations, including this request	\$720,000	0	\$720,000
Remaining amount to be authorized	\$1,534,000	\$0	\$1,534,000

Annual Budget Status and Source of Funds

This project (CIP #C800975) is included in the 2020-2024 capital budget and plan of finance with a budget of \$1,180,000. The cost increase is due to cost and scope changes, for instance, the need for additional camera infrastructure (network equipment and cable upgrades) not identified at the time the initial budget was established. A budget increase of \$1,074,000 was transferred from the Non-Aeronautical Reserve CIP (C800754) resulting in zero net change to the Aviation capital budget. The funding source will be Customer Facility Charges (CFCs).

Financial Analysis and Summary

Project cost for analysis	\$2,254,000
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 in the replacement of cameras as they fail. During design, the project team will look holistically to balance upfront costs with ongoing maintenance costs to arrive at the best overall financial decision for the port.

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ATTACHMENTS TO THIS REQUEST

- (1) Presentation slides

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None