

6.1: ALBANY REGIONAL AIRPORT – SCREENING AUTHORITY AND PROVIDER

Land Description : Albany Regional Aerodrome, Albany, Western Australia
Proponent : City of Albany
Owner : City of Albany
Attachments : Nil
Responsible Officer(s) : Executive Director Community Services

IN BRIEF

- As a result of Australian Government legislation, effective 1 July 2012, the City of Albany is required to implement security screening at the Albany Regional Airport.
- A legislated requirement of this security upgrade is to appoint an appropriately accredited Security Screening Authority and Security Screening Provider.
- The Screening Authority is the entity responsible for ensuring that security screening occurs in accordance with legislation.
- The Screening Provider is the entity that ensures the physical delivery of the required security screening services.
- At the November 2011 Ordinary Council Meeting, Council supported the recommendation to appoint, through a tender process, a third party to operate as a Screening Authority and Screening Provider at the Airport.

**ITEM 6.1: RESPONSIBLE OFFICER RECOMMENDATION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

That Council ACCEPT the tender from MSS Security and award contract C11018 to become the screening authority and security screening provider at Albany Regional Airport.

BACKGROUND

1. In order to satisfy the Australian Government's *Aviation Transport Security Regulations 2005* (amended 2010) requirements, the Albany Regional Airport (Airport) must be operationally compliant with the Aviation Security Notice (ASN) issued for the Airport by 1 July 2012.
2. Operational compliance includes the appointment of an Office of Transport Security (OTS) approved Security Screening Authority and accredited Security Screening Provider.
3. The Security Screening Authority is the entity with legal responsibility for ensuring that screening occurs in accordance with legislation. A screening authority must be aware of the relevant sections of the Act, the Regulations and ASN that pertains to screening and clearing of passengers and their baggage.

CEO:

RESPONSIBLE OFFICER:

4. The Security Screening Provider is the entity that ensures the physical delivery of the required security screening services and Aviation security screening is the application of human, technical or other means to identify and/or detect weapons, explosives or other dangerous devices, articles, substances or other prohibited items or behaviours which may be used to commit, or indicate an intention to commit, an unlawful interference against aviation. In providing screening services, the Provide must comply with the Airport's Transport Security Program.
5. The screening authority and screening provider roles can be performed by the same or separate organisations. A review of current best practice within the Australian airport industry reveals no "one size fits all" approach however there appears to be potential operational synergies and potential cost savings if these roles are provided by the one organisation.
6. OTS requirements dictate that a screening authority and provider be qualified and experienced in aviation security, and have demonstrated understanding and capability to comply with all legislative requirements. In Australia this is a highly specialised industry with a small number of dominant players.
7. At the November 2011 Ordinary Council Meeting, Council supported the recommendation to appoint, through a tender process, a third party to operate as a Screening Authority and Screening Provider at the Airport.
8. In considering the recommendation to tender for the Screening Authority and Screening Provider, Council were advised that:
 - Current Airport staff are not specifically trained in aviation security provision,
 - There is a low level of general aviation experience across the City,
 - If the City maintains the function of a screening authority, it will increase the level of risk, liability and legal obligations the City as Airport Operator must manage and resource.
9. After OTS advice received in January 2012, the decision was taken to start work as soon as possible on the submission to apply for a screening authority license. On the basis of time constraints, and as per clause 2.11.4 of the Request for Tender, the City withdrew the component of preparation of the security screening authority submission from Part A of the request for tender.
10. Each company that responded to the original tender was provided with the opportunity to quote for preparing the screening authority submission to the OTS and also to revise their tender pricing for Part A – Screening Authority Role, to reflect this change.
11. MSS Security provided a competitive quote and asked to proceed with preparation of the screening authority submission.

DISCUSSION

12. The City of Albany advertised locally and at a state and national level seeking tenders for the delivery of Security Screening Services (Screening Authority and Screening Provision) at the Airport.

13. Three tenders (to be appointed as the screening authority and provide screening services) were received and assessed by a three person panel including an independent aviation industry expert.
14. The panel evaluated the tenders using the weighted (out of 10) criteria methodology. Criteria and weighting provided in table below:

Criteria	% Weight
Cost	20%
Relevant Experience	25%
Key Personal	15%
Tenderers Resources	15%
Demonstrated Understanding	25%
Total	100%

15. On the basis of the total evaluation score, the most suitable company is considered MSS Security.

Tenderer	Total
MSS Security	812.13
ISS	666.00
Southcoast Security	489.53

For the following reasons:

Cost:

- Lowest cost score.

Relevant Experience:

- Demonstrated understanding and capability to comply with all legislative requirements to act as a screening authority.
- Multi-national security firm with a high level of experience in aviation screening, with evidence showing they are one of the largest providers of aviation screening services throughout Australia.
- Evidence of good quality control processes.

Key Personal:

- Highly experienced list of key personnel, including a third part consultant Askew and Partners.
- Recent location of key supervisor role to Albany.
- Currently perform screening provider roles for Perth, Kalgoorlie and Esperance. Albany would be able to potentially take advantage of this regional network of services and staffing.

Tenderers Resources:

- Propose to use experienced staff from other locations and have developed a strategy to recruit from local community to develop a local staff base over time. Additionally, have an indigenous employment strategy and participation plan.

Demonstrated Understanding:

- Professional submission indicating a very high level of understanding in particular the proposed approach of utilising Askew and Associates as consultants.

GOVERNMENT CONSULTATION

16. The City of Albany has ongoing consultation with relevant State and Australian Government agencies.
17. The City is working closely with the Office of Transport Security to illustrate compliance with the ASN, Transport Security Program and all other requirements in order achieve OTS approval for screening from 1 July 2012.
18. Although not directly involved in the operations of airport security screening, the City is consulting with the State Government Department of Transport, regarding necessary terminal upgrades.

PUBLIC CONSULTATION / ENGAGEMENT

19. There is no public consultation required for the appointment of the security screening authority and provider.

STATUTORY IMPLICATIONS

20. Under regulation 4.17 of the *Aviation Transport Security Regulations 2005*, the Secretary of the Department of Infrastructure and Transport has issued an indicative Aviation Screening Notice (ASN) that specifies the methods, techniques and equipment to be used for screening services at the Airport.
21. Appointment of the screening authority and provider roles is an essential requirement in the implementation of the ASN at the Airport. Without this appointment Albany Airport is unable to comply with Federal Legislation and will not be able to operate post 1 July 2012.
22. Regulation 11 of the Local Government (Functions and General) Regulations 1996 (Regulations) requires Council to publicly tender if the contract is, or is expected to be, more, or worth more, than \$250,000.
23. Regulation 18 of the Regulations outlines a number of requirements relating to choice of tender. Council is to decide which of the acceptable tenders is the most advantageous to Council. It may also decline to accept any tender.

STRATEGIC IMPLICATIONS

24. This item directly relates to the following elements of the City of Albany Strategic Plan 2011-2021:

Key Focus Area
Albany's Role as a Regional hub

Community Priority
Albany Regional Airport

POLICY IMPLICATIONS

25. The City of Albany Tender Policy and Regional Price Preference Policy are applicable to this item.

RISK IDENTIFICATION AND MITIGATION

26. The risk identification and categorisation relies on the City's Risk Management Framework.

Risk	Likelihood	Consequence	Risk Analysis	Mitigation
Inability to achieve OTS approval to operate a security screened airport	Possible	Severe	High	Ensure compliance with OTS requirements, including provision of appropriately skilled security screening staff
Delay to approval of tender to appoint security screening authority and provider	Possible	Severe	High	Council approve recommended tenderer.

FINANCIAL IMPLICATIONS

27. The value of this tender is in excess of \$250,000 and therefore the approval is referred to Council for consideration.

28. Security screening services must be applied to every Regular Public Transport (RPT) and open charter flight departing from the Airport from 1 July 2012. The Council has determined that these costs will be fully recovered via an increase to the current Airport passenger levy fee and at the March 2012 Ordinary Council Meeting Council passed the recommendation to increase the Airport passenger levy fee by \$20 on arriving and departing passengers.

29. Although the increased cost will be fully borne by air travellers it is important that it is kept to a minimum so that potential impacts on demand for air travel are minimised. When assessing the tender quotes, cost was an important consideration and MSS provided the lowest quote and scored highest in this selection criteria compared to competing tenderers.

30. Based on the preferred tenderer's pricing, the additional \$20 passenger levy will cover the costs of providing screening services.

LEGAL IMPLICATIONS

31. It is a legislative requirement that the Airport become a security screened airport as of 1 July 2012. In order for this to occur OTS must assess and approve the arrangements in place through the ASN and Transport Security Program. A critical element in achieving compliance with OTS requirements is to demonstrate expertise and capability in the provision of security screening.

ALTERNATE OPTIONS

32. The options are:

- To approve awarding of the roles to the recommended tenderer,
- Not approve the recommendation and appoint a different tenderer,
- Not approve any of the tenderers.

SUMMARY CONCLUSION

33. On the basis of cost, expertise and resources the recommended tenderer is MSS Security.

Consulted References	OCM November 2011, Item 3.1 OCM March 2012, Item 16.3
Previous Reference	OCM May 2011, Item 3.2 SCM September 2011, Item 6.2 OCM November 2011, Item 3.1