



Transportation
Security
Administration

**TSA Electronic Baggage Screening Program
Funding of Checked Baggage Inspection System
Project Costs Version 8.0**

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Section A. Introduction

Title 49 U.S.C. §44923 authorizes the Transportation Security Administration (TSA) to make Other Transaction Agreements (OTAs) with Project Sponsors for:

- Projects to replace baggage conveyer systems related to aviation security;
- Projects to reconfigure terminal baggage areas as needed to install explosive detection systems;
- Projects to enable the Under Secretary to deploy explosive detection systems behind the ticket counter, in the baggage sorting area, or in line with the baggage handling system; and
- Other airport security capital improvement projects.

TSA utilizes OTAs as funding instruments to reimburse Project Sponsors for eligible aviation security projects. Project Sponsors may obtain any additional information, guidance, and applications for funding at: <http://www.tsa.gov/for-industry/electronic-baggage-screening>.

The Aviation and Transportation Security Act (ATSA, Pub.L. 107–71 November 19, 2001) requires that 100% of checked baggage be screened for explosives by electronic or other approved means. TSA’s Electronic Baggage Screening Program (EBSP) was established to meet this congressional mandate through the qualification, procurement, deployment, and sustainment of Explosive Detection Systems (EDS) used to screen checked baggage.

EBSP maintains a multi-year investment plan, updated annually, that prioritizes aviation security improvement projects aligned with the Program’s mission and the Aviation Security Capital Fund (ASCF). EBSP selects projects intended to deliver the greatest security benefit within the funding appropriations set by Congress.

The Planning Guidelines and Design Standards (PGDS) for Checked Baggage Inspection Systems (CBIS) details TSA’s requirements and documented best practices for implementing a high performance and cost-effective CBIS. The PGDS is available at <https://sam.gov/search/> and search for “PGDS”.

TSA is not a party to the contracts a Project Sponsor executes with third parties in support of a CBIS project. The Project Sponsor (including its appropriate procurement authority) is the responsible contractual authority for establishing and administering the contract agreements. The Project Sponsor is responsible for all contractual matters, including evaluation and award of contract, resolution of claims and disputes, and settlement of litigation issues regarding the satisfaction of all contractual and administrative issues arising from procurements entered in support of a TSA CBIS project, without recourse to TSA. This includes, but is not limited to, disputes, claims, protests of award, source evaluation, or other matters of a contractual nature.

Section B. In-line CBIS Funding Application and Project Types Eligibility

B.1. OTA Applications

Design and Facility Modification (FacMod) OTA Applications are the primary vehicles through which TSA invites communication from a Project Sponsor regarding project needs and funding requests, thereby providing a controlled manner for a Project Sponsor to submit funding requests. This process allows for proper tracking and handling of funding requests and subsequent communication between TSA and the Project Sponsor.

The Project Sponsor should be aware while making an OTA application submission that TSA will accept all OTA applications on a continuous basis at CBTPlanning@tsa.dhs.gov.

The Project Sponsor is strongly encouraged to coordinate with local and headquarters TSA entities via TSA Project Coordinators as early as possible when CBIS projects are being considered and conceptually planned. Early notification assists TSA in justifying and budgeting federal funding for the EBSP. Similarly, TSA Project Coordinators will also notify airports as early as possible when a TSA-initiated project is being forecasted or considered at their location.

B.2. Project Eligibility

The different types of projects are typically categorized as shown in the following table:

Table 1: Project Types and Funding Eligibility

Project Type	Definition	Initiated By	TSA Funding Eligibility
New In-Line	Full In-line system replacing non-in-line equipment	Airport	Eligible
Mini In-Line	Mini In-line system replacing non-in-line equipment	Airport	Not Eligible
Recapitalization	Targeted replacement of existing EDS	TSA	Eligible
Optimization	Improvement/replacement of existing in-line system by airport	Airport	Not Eligible (except for the equivalent amount of a recapitalization – see below)
PGDS Upgrades	Targeted improvements to existing CBIS by TSA	TSA	Eligible
Growth	Increase to screening capacity of existing in-line system	Airport	Not Eligible

- 1. New In-line** – A new in-line project creates a fully integrated baggage screening system that is built to replace non-in-line screening equipment (previous screening for the airport

must have been via stand-alone EDS, semi-integrated EDS, mini-inline EDS, or primary ETD equipment). New fully integrated in-line projects with sufficient baggage demand are eligible for TSA funding. The following two metrics shall be used to determine if an airport/zone should be converted to a full in-line system. When both criteria below are met, a project is considered eligible for EBSP funding:

- Hourly bag demand of at least 400 bags per hour (bph) after growth to Date of Beneficial Use (DBU), calculated as the peak 10-minute bag demand during a representative high-traffic day multiplied by 6.
 - Where available, bag demand is based on the 95th percentile peak 10-minute bag demand across a full year as determined in the Field Data Reporting System (FDRS).
 - Where FDRS is unavailable or not applicable, a surged flight schedule analysis may be used based on the Average Day Peak Month (ADPM).
- Average daily bag count over a full calendar year, escalated to DBU, of at least 674 bags per day.

Projects that do not meet both criteria thresholds above are not eligible for TSA funding, but the airport may still self-fund the project. In these circumstances, the airport should coordinate with TSA to determine if the baggage demand warrants installation of an automated inline system for baggage screening, or if a mini-inline, stand-alone screening, or ETD-only screening would be more suitable.

In the case of a new in-line system replacing a combination of existing in-line and non-in-line screening equipment, TSA funding will be based on the portion of bags that replace non-in-line screening equipment only, which is considered to be the reimbursable demand portion. The eligibility percentage will be determined by calculating the existing non-in-line screening system demand at design year (DBU+5) and comparing it to the non-redundant EDS capacity of the new system (e.g. An airport building a new inline system with a non-redundant EDS capacity of 1300 bph that replaces stand-alone screening demand at design year of 520 bph would be funded at 40% of the allocable project amount). Projects for which an eligibility percentage applies are not subject to any additional cost share (refer to Section C).

In circumstances where either a single consolidated system or multiple small screening systems are potential options, TSA prefers a single consolidated system because it makes more efficient use of TSA-provided EDS and allows for more cost-effective TSO staffing. If the Project Sponsor ultimately chooses to move forward with multiple smaller screening systems such that additional EDS are required as compared with the more consolidated option, TSA will coordinate with the Project Sponsor to determine how to offset this increased cost to TSA. This may be done either through a modification to the OTA amount or through a gifting agreement by which the Project Sponsor provides the additional EDS and associated maintenance.

2. **Mini In-Line** - New Mini-In-Line projects are not eligible for TSA funding. Mini in-line systems will continue to be included and updated in the PGDS document and airports can continue to pursue this solution without TSA funding.

- 3. Recapitalization** – Recapitalization projects are TSA-initiated projects that replace existing EDS due to technical obsolescence. The scope of a recapitalization project is limited to only those actions necessary to replace existing screening equipment while maintaining existing capabilities and is defined by TSA in advance.

TSA currently reimburses airports 100% of the total project costs (design and construction) for the limited scope of straight EDS recapitalization. Any additional work that an airport would like to conduct beyond the recapitalization scope is considered an optimization activity. Recapitalization projects are eligible for TSA funding.

- 4. Optimization** – Optimization projects are airport-initiated modifications to, or replacement of, an existing full in-line system for any reason other than screening equipment recapitalization. Optimization projects or activities are not eligible for TSA funding, except for projects that are triggered by a TSA-initiated recapitalization project. In this situation, where the Airport chooses to execute scope above and beyond the pre-defined scope of Recapitalization, TSA would be responsible for the costs of the recapitalization scope and the Airport will take responsibility for the costs of any scope beyond straight EDS recapitalization.

To be eligible for recapitalization-triggered optimization funding, the following requirements must be met:

- The project must be executed within the timeline TSA budgeted and planned to carry out the recapitalization project. If the optimization project is delayed, the funding will be canceled, and TSA will proceed with the recapitalization project.
- The project must be used to replace equipment being recapitalized.
- The TSA Project Coordinator will execute an independent government cost estimate to determine the costs of the recapitalization project. This amount will be presented to the Project Sponsor and should be agreed upon in advance of the project.

- 5. PGDS Upgrades** – PGDS Upgrade projects are TSA-initiated efforts to close gaps between existing CBIS capabilities and current PGDS requirements. PGDS Upgrade projects are eligible for TSA funding.
- 6. Growth** – Growth projects upgrade and/or add screening equipment to an existing in-line system to account for demand beyond existing system capacity. These projects are not eligible for TSA funding.

Temporary stand-alone EDS to augment an existing in-line system can be provided if necessary while capacity improvements are being implemented to the in-line system. If no permanent capacity improvements are actively being made (e.g., in design or construction), deployment of temporary stand-alone equipment will not be approved.

Growth projects should include planning for CBIS, OSR (on-screen resolution) and CBRA (checked baggage resolution area) expansion to prevent any stage of the checked baggage screening process from becoming a bottleneck.

B.3. Standard OTA Timing

A Project Sponsor may apply for design project funding prior to the start of any design engineering. Any project costs incurred by the Project Sponsor prior to receiving a fully executed OTA from TSA are not eligible for reimbursement. For projects in which the Project Sponsor has already completed a portion of the project design without funding from TSA, the Project Sponsor may apply for funding for the remaining design costs. As every project is unique, the Project Sponsor must be cognizant of the terms and conditions associated with their respective OTA in order to ensure that potential costs meet the requirements for reimbursement.

While not needed for the initial application, the Project Sponsor must submit a quote from their designer, including all allowable costs for the design effort, in order for TSA to award a Design OTA. Similarly, for a FacMod OTA, the Project Sponsor must have obtained bids, determined the prospective winning bidder, and provided bid information in Current Working Estimate (CWE) format to TSA before TSA will award an OTA.

The Project Sponsor is strongly encouraged to submit their application for Facility Modification project funding early in design; TSA recommends that this be coordinated between the Project Sponsor and TSA as part of the design process. TSA will not proceed towards finalizing a FacMod OTA until the 100% Design Phase of a design-bid-build project has been successfully completed, bids are obtained and provided, a winning bid is chosen, and TSA conducts its own internal cost analysis. Other project delivery methods selected by the Project Sponsor may allow the use of Guaranteed Maximum Price (GMP) at the 70% design phase, please refer to Section B.4 for details.

TSA will retain 10% of invoiced amounts until the OTA scope is completed. If a Project Sponsor's system is required to repeat integrated site acceptance testing (ISAT), this may impact retainage.

B.4. Project Delivery Methods

The OTA reimbursement vehicle is traditionally best suited for a design-bid-build project, however additional project delivery methods are considered, and the OTA process may be adjusted to conform with the chosen method including, but not limited to, those listed below. In all cases, the Integrated Local Design Team (ILDT) should inform TSA at the beginning of the project what delivery method is to be used.

- **Design Bid Build** – This is considered the “standard” process, in which a selected bid based on the TSA approved 100% design is required to be provided by the airport to TSA and will be the basis for funding for a FacMod OTA.
- **Design-Build** – TSA's preference is to complete design prior to the FacMod OTA. However, in some cases, costs may not be finalized using this approach. In this circumstance a GMP, created no earlier than TSA-approved 70% design, will be considered and evaluated on a case-by-case basis. This OTA amount would be considered final and not subject to modification for increased funding.

- Construction Managers at Risk (CMAR) – In the case of a CMAR project, the OTA can be based on the CMAR’s GMP, created no earlier than TSA-approved 70% design. This OTA amount would be considered final and not subject to modification for increased funding.

Regardless of the delivery method selected by the Project Sponsor, the bid or GMP submitted to TSA for OTA processing must provide a detailed cost breakdown as backup for all costs such that TSA can use it to validate allocability and reasonableness to determine the final OTA award amount. Lump sum amounts in bids or GMPs are not acceptable. Failing to provide a detailed breakdown of costs could result in delay to the OTA execution and put project funding at risk.

Section C. In-line CBIS Allowable, Allocable and Reasonable Costs

Cost share is dependent on the project category and hub type, and it will be stipulated in the OTA. Project costs may be eligible for inclusion in a Design or FacMod OTA if they:

- Are essential to the CBIS solution and not otherwise excluded;
- Are allowable, in that they conform to the terms and conditions of the OTA to include all legal references listed in this policy and the OTA;
- Are allocable, in that they are directly attributed to only the TSA CBIS project (unless identified as an unallowable cost in section C.4) – a project cost must be chargeable to a TSA project objective necessary for the operation of the CBIS.
- Are reasonable in their nature and amount, and do not exceed that which would be incurred by a prudent person in the conduct of competitive business. (See generally: Federal Acquisition Regulations Subpart 31.2, Contracts with Commercial Organizations, for further guidance).
- Are also considered allowable, allocable, and reasonable according to OMB Circular A-87, or OMB Circular A-122 depending on the Project Sponsor’s business structure.

The Project Sponsor must also review project costs to ensure conflicts do not exist with any additional federal grants that the Project Sponsor has or intends to accept. In some instances, Federal Aviation Administration grants may preclude the reimbursement of TSA project costs, and vice versa. The Project Sponsor should consult their legal counsel and the appropriate federal agencies for guidance.

Typical Costs for TSA Checked Baggage Inspection System Projects

C.1 Allowable Design Costs

- TSA will only reimburse design fees that can be directly apportioned to the TSA “allocable” portion of the CBIS project.
- TSA will reimburse for reasonable project management costs associated with the design portion of a CBIS project.
- TSA will reimburse design costs enabling the use of a 3D scan for use of coordination

and right-of-way verification, limited to only the allocable portion of the CBIS project.

- TSA will reimburse for reasonable bid support costs associated with the construction portion of a CBIS project.

C.2 Allowable Construction Costs

1. Basic interior construction and fit out is considered an allocable cost and must be limited to areas directly supporting the baggage screening operation to include CBIS areas, including the CBRA areas and OSR room(s). Costs in excess of basic finishes are not allowable.

Interior construction is defined as:

- Interior wall construction as a result of space reconfiguration(s) to accommodate and support TSA screening operations
- Installation of electrical and communications systems, including:
 - Circuit panels
 - Telephone or communication junctions
 - Transformers and other electrical components required to support TSA
- Installation of heating ventilation and air conditioning (HVAC) of spaces to support EDS machine operation, the OSR room, the CBRA, and other areas that will be staffed by TSA field personnel. Allocable costs include:
 - Ductwork
 - Temperature control equipment
 - Air handling unit that is exclusive to TSA operated areas, or a percentage of cost based on a pro-rated amount based on square footage
- Procurement and installation by the project sponsor of power conditioning equipment, for the sole purpose of supporting EDS machine operation. Power conditioning equipment should be the lowest cost technically sufficient solution, beyond which allocability will be restricted. Restrictions include:
 - Power to all EDS within the same physical EDS grouping should be conditioned by a single device where practicable rather than one device per EDS.
- Sprinkler systems and alarms as required by local fire and safety codes
- Insulation, drywall, acoustical ceiling tiles, and sound baffles associated specifically with the CBRA and/or OSR room noise attenuation
- EDS condensate floor drains and collection piping (only within the CBIS area)
- Interior construction in support of Occupational Safety and Health Administration (OSHA) requirements for spaces inhabited by Transportation Security Officers
- Floor reinforcement in the CBIS, including CBRA and OSR areas to meet structural

load requirements if applicable for projects retrofitting existing building space

2. EDS spare parts hoist and associated I-beam(s)
3. Interior non-structural demolition of the existing conditions and site preparation to support allocable areas of the project, including CBIS, CBRA, and OSR construction.
4. Basic lighting, fixtures, switching, and appurtenances in CBIS areas, including the CBRA, and the OSR room that meet current minimum National Electrical Code, International Building Code, and OSHA requirements for lighting (lumen per square foot) for office space and to support allocable computers, conditioning units, printers, and other ancillary equipment. If allocable to the CBIS, OSR room, or CBRA, the costs for the following may be eligible for reimbursement:
 - New power drops
 - Associated transformers
 - Electrical panels or subpanels
 - Communication and network wiring
 - Network and/or communications exchanges
5. Basic furnishings within the CBRA and OSR room only, such as adjustable height workstations, chairs, CBRA supervisor desk, non-powered gravity rollers or other “no-lift” devices, etc.
6. Conveyor within the Secure Tracking Zone (STZ), generally defined as the portion of the Baggage Handling System (BHS) beginning at the pre-EDS automated tag reader (ATR) and ending at the downstream clear line(s). This is limited to conveyor from the ATR to the EDS shunts (if there is an upstream ATR), the EDS shunts to and from the EDS, the OSR line, the CBRA line, the reinsert line, and all diverters/merges required for baggage screening.
 - The beginning of the allocable STZ is generally located at the ATR immediately upstream of the first EDS shunt divert, unless TSA considers the ATR location to be significantly further upstream than is reasonable for the purposes of assigning allocability. In this case, the beginning of the allocable area will be the mainline conveyor immediately upstream of the first EDS shunt.
 - The STZ ends at the clear lines exiting CBIS up to and including the last clear merge conveyor and receiving conveyor, within reasonable design expectations. Baggage conveyance downstream of the last clear conveyor merge to baggage makeup units is not allocable.

In situations where one or more clear conveyor subsystems do not merge downstream while exiting CBIS or CBRA prior to baggage sortation, the following rules are used to identify the last allocable conveyor segment:

- For level 1 decision points, only the first clear conveyor segment accepting bags from the decision divert point is allocable
- For level 2 decision points, only clear conveyors within the failsafe

calculation after the decision divert point are allocable

- For level 3 clear conveyors, only the conveyor immediately downstream of the last CBRA clear induction point is considered allocable.
7. Conveyor equipment upstream of the CBIS may be considered allocable for reimbursement if the project modifies baggage screening from a decentralized system to a centralized system. In this case, the following conditions must be met:
- Existing baggage screening is physically distributed through multiple areas of the airport such that TSA baggage screening staff is currently not co-located.
 - The replacement baggage screening system consolidates physical screening locations such that TSA baggage screening staff becomes co-located.
- If these conditions are met, conveyor sections required to intercept bags on existing delivery lines and deliver to CBIS will be considered for reimbursement. Conveyor sections downstream of the baggage screening area remain non-allocable for reimbursement.
8. The costs of design or construction of dual mainlines within the CBIS are allowable only if the rated throughput of the CBIS exceeds the capacity of a single mainline. The costs of dual mainlines for the purpose of redundancy, in systems where a single mainline has sufficient capacity to feed the CBIS at its rated throughput, are not allowable per section C.4.
9. ATRs are allowable by TSA if they are installed pre-EDS and used to support bag tracking in a security zone.
10. Oversize (OS) room fit out (if separate from CBRA) is allocable. OS conveyor equipment within an OS screening area (defined as any queue conveyors prior to BISs required for screening operations within the OS CBRA through the last OS BIS position) are allocable. OS conveyors outside of the OS screening area may be considered allocable on a case-by-case basis if they are found to be required for co-located screening operations and its design benefits TSA. OS conveyors outside of the OS screening area that don't meet the criteria above are considered non-allocable.
11. Non-traditional conveyor methods (e.g. crossbelt, Individual Carrier System (ICS), etc.) in which sections of conveyor serve both allocable and non-allocable functions will be evaluated on a case-by-case basis. For each conveyor section, allocability will be based on identifying the primary use of that section to determine if it primarily serves a TSA or airport function.
12. Telephone, radio, intercom, airport-only cellular phones, or other voice communications may be considered if essential for TSA CBIS, including CBRA and OSR operations.
13. Closed Circuit Television (CCTV) at the following locations:
- The divert point going into the EDS shunt
 - The EDS entrance

- The EDS exit
- The machine clear bag divert point
- The point where the OSR line merges into the mainline
- Last chance divert point
- OSR Room
- CBRA Room

14. BHS monitors in the OSR room and/or in the CBRA.

15. Programmable logic controllers (PLC). Only if the addition of an in-line screening system requires a modification and/or addition to current systems. TSA will only allow for the programming to integrate and control the in-line screening portion of the BHS, limited to the costs necessary to support CBIS, OSR, and CBRA operations.

16. Replacement or modification of the existing CBIS necessary to support recapitalization of the EDS machines on a case-by-case basis within the TSA-designated areas.

17. Phasing costs identified and agreed to by TSA in the design review process to support EDS installation, CBRA and OSR construction.

18. Security Technology Integration Program (STIP) requirements. STIP provides for connectivity of security technology such as EDS, Explosive Trace Detection, and primary and secondary EDS workstations to the TSA network (see PGDS for general connectivity requirements; TSA will also provide any current STIP requirements documents to a Project Sponsor upon request).

19. Support associated with all testing phases indicated in PGDS.

- Test Readiness Review (TRR) testing activities within the allocable zone of the project are allocable costs.
- Costs associated with TSA's Acceptance Test Team are covered under other TSA contracts, however costs associated with supporting TSA's Acceptance Test Team during ISAT such as: bag porters and BHS programmers specific to CBIS testing are allocable costs.

C.3 Allowable Project Management, Construction Management, Contingency, and Maintenance Costs

1. The following fees are allowable costs:

- Insurance
- Home office overhead
- Profit
- Sales tax
- Design with Construction Administration

- Project Management
- Construction Management
- Contingency for Design OTAs (Not typically included, though TSA may consider in rare cases if a clear rationale is provided)
- Construction Contingency (FacMod OTA Only)

TSA will only reimburse such costs that can be directly apportioned to the TSA “allocable” portion of the CBIS project. Specific justification for fees must be provided and approved at the time of negotiation prior to the OTA being signed.

2. Contingency may be considered as noted above for Design OTAs. Contingencies for Design OTAs shall be applied to the sum total of design, project management, and bid support costs.
3. The inclusion of construction contingency funds for allocable items is only allowable for projects with FacMod OTAs. Construction contingencies are not expected to exceed 5% of the total projected construction budget.
 - CMAR projects and design-build projects may allow up to an additional 5% of contingency in the event of the OTA being awarded prior to the 100% design approval.
4. To invoice TSA for any contingency funds, the Project Sponsor must submit a change request outlining the change in condition that requires additional funding and supplying the necessary supporting documentation, including modified plans and specifications for the change. Further, the Project Sponsor should submit a cost estimate, meeting all requirements of this document, with the change request justifying the change in cost.
 - Change Requests are defined as requests for the utilization of contingency funds that do not add costs or changes to the scope of the OTA. Change requests shall not be considered authorization to exceed TSA's Reimbursement Limit. Any change requests shall be submitted by the Project Sponsor to the TSA COR prior to any work starting. Once the COR has been given advance notice of the impact the change request has on the Project, if agreed to by TSA, the TSA COR will provide written approval to the Project Sponsor to proceed with the work identified in the Change Request. TSA will not reimburse the Project Sponsor for any cost incurred for change request work that was not pre-approved by TSA.
 - If the change requires a modification of the OTA, this constitutes a change order. Change Orders are defined as work that is added to or removed post OTA award that consequentially adds cost or changes the scope of the OTA. Change orders shall not be considered authorization to exceed TSA's Reimbursement Limit. Any changes to the authorized amount shall be submitted by the Project Sponsor to the TSA Contracting Officer Representative (COR) and TSA Contracting Officer (CO) prior to any work starting. Once the COR and CO have been given advance notice of the impact the Change Order has on the total cost of the Project, if agreed to by TSA, the TSA CO will provide written approval to the Project Sponsor to proceed with the work identified in the Change Order. TSA will not reimburse the Project Sponsor for

any cost incurred for Change Order work that was not pre-approved by TSA.

5. Any incentives to the CMAR to reduce overall costs from the FacMod OTA, while maintaining the approved design and functionality, are considered allocable.
6. TSA procures and maintains the following equipment: EDS*, ETD, SVS, PVS, MCS, UPS for the SVS, UPS for the PVS, EDS Network Printers, and EDS Network Servers.

*Procurement includes delivery, rigging, installation, Site Acceptance Test (SAT), and ISAT for the EDS machines

C.4 Unallowable Costs

The following list presents examples of items which costs are considered unallowable for reimbursement under an OTA agreement with TSA. This list does not represent a complete list of unallowable items. TSA's requirements for the design of CBIS are presented in the PGDS.

1. Design and construction costs for TSA-leased spaces
2. Construction costs for BHS control rooms
3. Costs associated with replacement or application of fireproofing
4. Design or construction of "bricks and mortar", which is defined as any construction that is not fit out of TSA specific rooms (including, but not limited to):
 - Any new physical structure built to house the CBIS, CBRA, and/or OSR areas
 - Structural retrofit of existing facilities to allow for TSA functions
5. Design or construction of general facilities, including restrooms, breakrooms, and conference rooms
6. Relocation of existing spaces and elements impacted by demolition to support allocable areas of the project.
7. Design or construction of new utility substations or distribution centers (examples including but not limited to electrical switchgears and building water main pumps)
8. Costs associated with emergency power.
9. Design or construction of facilities related to manual movement of non-conveyable oversize items
10. Costs associated with Operational Readiness and Airport Transfer (ORAT) through either the design phase or construction phase
11. Costs for extended warranties
12. Costs for BHS operations and maintenance
13. Costs incurred outside of the OTA period of performance
14. BHS Spare parts and storage areas for BHS spare parts
15. Replacement of PLC components and PLC programming. See Section C.2.14 above

for more details on PLC eligibility

16. Laptop computers used for maintenance of the BHS
17. BHS components outside of the CBIS area (including, but not limited to):
 - Baggage reconciliation systems (carousels or sortation systems)
 - Baggage System Management (BSM) data providers and/or BSM systems
 - Manual encoding systems, with the exception of ICS systems where the manual encode is used.
 - Replacements of ticket counter conveyors or addition of new input conveyors
 - Input mainline conveyors upstream of the Secure Tracking Zone (STZ) unless identified otherwise in section C.2.
 - Conveyors downstream of the STZ unless identified otherwise in section C.2.
 - Replacement of inbound and outbound sortation conveyors.
 - Modifications to existing sortation conveyors.
18. BHS components within the CBIS area that primarily serve a non-TSA function
19. Retrofit of an existing CBIS as a result of airline mergers or relocations within an airport unless such construction is proven to be cost-beneficial to TSA, as determined by TSA's cost analysis. TSA does not support allocation of BHS system costs borne by airlines or airports outside of the OTA process
20. BHS capacity in excess of what is needed to feed the non-redundant CBIS at its rated throughput including, but not limited to:
 - Additional mainline(s) for redundancy
 - Design or construction of components required to enable recovery mode
21. Automatic recirculation loops (not including the automatic reinsertion lines in the CBRA), either pre-EDS screening or post-EDS screening.
22. Dynamic simulation modeling.
23. Utilities required for HVAC equipment (electrical, gas, plumbing, etc.) are not allocable.
24. Additional ISAT beyond the initial test.
 - The Project Sponsor's cost for additional ISAT will be borne by the Project Sponsor and will not be reimbursed by TSA.
 - TSA's cost for additional ISAT will be deducted from the OTA retainage.
25. Re-design work the airport elects to do after TSA approves a design.
26. Additional construction beyond the initial scope for non-recap projects.
27. Costs incurred by the airport or its contractors or agents to perform work not in compliance with TSA requirements as stated in the OTA.

28. Airport profit or the general costs of government.
29. Maintenance costs not identified in section C.3.5.

C.5 Cost Reasonableness

Cost reasonableness considers whether the costs exceed what would be incurred by a prudent person in the conduct of competitive business. All projects will be evaluated by TSA for cost reasonableness based on recent equivalent projects, market conditions, and locality of the project. OTA funding for projects that exceed this amount will be limited to a maximum reasonable level of funding as determined by TSA analysis.

Section D. Standalone EDS Funding Policy

This section presents TSA's funding policy for standalone EDS CBIS projects. The section consists of different scenarios that require the installation of standalone EDS screening at an airport. Funding responsibilities for the Project Sponsor and TSA will be covered under each of the scenarios presented.

The following elements of a standalone EDS configuration CBIS are considered non-allocable under ALL scenarios listed below:

1. Relocation or installation of ticket counters or other baggage input points
2. Relocation or installation of bag makeup facilities or baggage handling system
3. Design and construction of "bricks and mortar", which is defined as new construction that is not fit-out of TSA-specific rooms
4. Relocation or construction of existing spaces displaced
5. Relocation or construction of TSA-leased spaces

D.1 Scenario 1: Airport-Initiated Standalone EDS Relocations

These projects are the result of airports or airlines wanting to create a new checked baggage screening area which requires relocating an EDS from an existing standalone screening location. The Project Sponsor is responsible for all aspects of these projects which are not listed under TSA's responsibilities, including, but not limited to the elements presented below.

Funding Responsibilities:

Project Sponsor:

1. Design and installation of CCTV Security Camera Systems
2. Design
3. IT/Communications
4. Project management

5. Installation and movement of Transportation Security Equipment (TSE) by qualified vendors
6. Installation of infrastructure required to support the TSE and screening operation. (electrical, data, HVAC, access control etc.)
7. Providing adequate space for installation of TSE in an approved manner.
8. Contracting directly with the Original Equipment Manufacturer (OEM) for the decommissioning and recommissioning of any existing EDS required for the project.
9. Prepare as built drawings

TSA:

1. Review and approve design
2. Data lines for STIP connectivity
3. Commissioning of TSE

D.2 Scenario 2: Airport Initiated Installation of Additional Standalone EDS Driven by Airport's Growth

The addition of new baggage screening capacity driven by airport growth.

Funding Responsibilities:

Project Sponsor:

1. Design and installation of CCTV Security Camera Systems
2. IT/Communications
3. Providing adequate space for installation of TSE in an approved manner.

TSA:

1. Conduct site survey
2. Design
3. Project management
4. Installation of infrastructure required to support the TSE and screening operation. (electrical, data, HVAC, access control etc.)
5. Data lines for STIP connectivity
6. Purchase of TSE
7. Shipping and rigging of TSE
8. Installation of TSE
9. Commissioning of TSE (SAT or ORT)
10. Prepare as built drawings.

D.3 Scenario 3: TSA initiated Projects to Change Screening at Airport from ETD Only to Standalone EDS, or Newly Federalized Airports

TSA proactively identifies airports that meet the standalone EDS screening checked baggage demand threshold and reaches out to gauge their interest in the installation of a standalone EDS. With agreement from the airport, the project moves forward.

The second portion of this scenario is related to airports that are newly federalized. If the airport's checked baggage demand supports standalone screening operations, then they will also follow the funding responsibilities listed below.

Funding Responsibilities:

Project Sponsor:

1. Design and installation of CCTV Security Camera Systems
2. IT/Communications
3. Providing adequate space for installation of TSE in an approved manner

TSA:

1. Conduct site survey
2. Design
3. Project Management
4. Installation of infrastructure required to support TSE and screening operations (electrical, data, HVAC, access control, etc.)
5. Data lines for STIP connectivity
6. Purchase of TSE
7. Shipping and rigging of TSE
8. Installation of TSE
9. Commissioning of TSE (SAT or ORT)
10. Prepare as built drawings

D.4 Scenario 4: Standalone EDS Deployed in Support of Temporary Screening Needs for TSA-Funded In-line CBIS Projects

These are TSA-funded projects where the airport's design team identifies the need for temporary screening as a result of an in-line CBIS design.

Funding Responsibilities:

Project Sponsor:

1. Providing adequate space for installation of TSE in an approved manner

TSA:

1. Purchase of TSE
2. Shipping and rigging of TSE
3. Installation of TSE
4. Commissioning of TSE

Project Sponsor costs reimbursed by TSA via OTA:

1. Design
2. Project management
3. Installation of infrastructure required to support TSE and screening operations (Electrical, data, HVAC, access control, etc.)
4. Bag portering

D.5 Scenario 5: Standalone EDS deployed in Support of Temporary Screening Needs for Non-TSA-Funded In-line CBIS Projects

These projects are the result of an in-line Checked Baggage Inspection System design at an airport, where the airport's design team identifies the need for temporary screening.

Funding Responsibilities:

Project Sponsor:

1. Design and installation of CCTV Security Camera Systems
2. Design
3. IT/Communications
4. Project management
5. Installation and movement of TSE by qualified vendors
6. Installation of infrastructure required to support the TSE and screening operation (electrical, data, HVAC, access control etc.)
7. Providing adequate space for installation of TSE in an approved manner
8. Contracting directly with the OEM for the decommissioning and recommissioning of any existing EDS required for the project
9. Bag portering

TSA:

1. Review and approve design
2. Data lines for STIP connectivity
3. Commissioning of TSE

Appendix. Revision Summary

Version 8.0

LOCATION	COMMENT (Bold font indicates notable changes)
Section B.2	• B.2.1 – Added details of how hourly bag demand is calculated to evaluate criterion of 400 bags per hour after growth to DBU • B.2.1 – Revised peak month average daily bag count of 1,600 bags/day to average daily bag count over a full year, escalated to DBU, of at least 674 bags per day • B.2.1 – Removed references to the LCCA decision tool for consolidated CBIS designs • B.2.6 – Added language regarding augmenting temporary stand-alone EDS during active capacity improvements • B.2.6 – Added language referencing items that growth projects should include during the planning phase
Section C.2	• C.2.1 – Added language related to power conditioning equipment and associated allocability restrictions • C.2.1 – Added language to clarify that floor reinforcement to meet specific load requirements in TSA areas for projects within existing building space • C.2.6 – Added language to clarify the boundaries of the STZ and relocated the end boundary definition from previous C.2.10 • C.2.7 – Added language to definition from previous C.2.10 to clarify when conveyor upstream of the CBIS would be considered allocable • General – Removed previous C.2.10 and the associated diagrams. • C.2.11 – Added item to define allocability based on non-traditional conveyor methods
Section C.3	• C.3 – Clarified the title of the section to also include Maintenance Costs • C.3.5 – Relocated previous C.4.28 to this C.3.5
Section C.4	• C.4.28 – Added item to define maintenance costs not identified in C.3.5