

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**ACTION ITEM**

|                        |                  |
|------------------------|------------------|
| <b>Item No.</b>        | 6c               |
| <b>Date of Meeting</b> | January 12, 2016 |

**DATE:** January 5, 2016  
**TO:** Ted Fick, Chief Executive Officer  
**FROM:** Lindsay Pulsifer, Managing Director, Maritime  
Peter Garlock, Chief Information Officer  
**SUBJECT:** Vessel Moorage System (CIP #C800729)

|                                    |           |                           |                   |
|------------------------------------|-----------|---------------------------|-------------------|
| <b>Amount of This Request:</b>     | \$550,000 | <b>Source of Funds:</b>   | 100% General Fund |
| <b>Est. Total Project Cost:</b>    | \$550,000 |                           |                   |
| <b>Est. State and Local Taxes:</b> | \$10,500  | <b>Est. Jobs Created:</b> | 0                 |

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to (1) proceed with the Vessel Moorage System project; (2) authorize the procurement of required hardware, software, and vendor services; (3) authorize the use of Port staff for implementation; and (4) authorize the procurement of vendors services for maintenance, for a total project cost not to exceed \$550,000 and maintenance costs estimated at \$200,000 over five years.

**SYNOPSIS**

The purpose of this project is to procure and implement a vessel moorage management system to support marina and terminal operations. The existing Marina Management System (MMS) no longer meets Port requirements, has compatibility issues with newer technology, provides little capability for customer self-service, and doesn't support the management of non-leased terminal operations.

When this project is complete, the Maritime organization will have a system to manage slip, berth, and storage assignments, calculate billing, and more efficient communication with customers; improving operational excellence. Maritime customers will have more capability to self-manage reservations, payments and access to account information. Information Communication Technology (ICT), Maritime, and Accounting and Financial Reporting (AFR) resources will complete the project. Total project costs are estimated to be \$550,000. Funding for this project was included in the 2016 – 2019 capital budget and plan of finance. Recurring hardware license and maintenance costs will be budgeted within the ICT department operating budget.

## **COMMISSION AGENDA**

Ted Fick, Chief Executive Officer

January 5, 2016

Page 2 of 4

The Port of Seattle North Harbor Management Group (NHMG) operates five marinas using proprietary software developed by the Port in 2007 to manage moorage rates, bill for recurring and one-time services, and interface with other Port systems for billing and access control.

### **BACKGROUND**

The five marinas managed by NHMG include approximately two thousand moorage slips used by recreational boaters, commercial fishermen, charter vessels, live-aboards, and various commercial vessel activities such as regattas. In addition to moorage, revenue is generated from dry moorage, storage, equipment rental, bike lockers, parking permits, dinghy rack rental, dumpsters, and key fobs. MMS is the system of record for marina operations that generate approximately \$12 million of revenue annually and is used by approximately 40 NHMG employees to manage moorage, ancillary services, reservations, waitlists, point-of-service payment collection, customer communication, and reporting. As such, the system contains critical marina management information such as customer and vessel profiles, historical stay and payment information, moorage rates, and slip and utility usage.

The Port's Cruise and Maritime Operations manages commercial moorage facilities with a total of 17,000 lineal feet of large vessel berth moorage to which approximately 1,000 vessel calls are made annually. These facilities serve the needs of cruise lines, bulk vessels, terminal operators, passenger vessels, research and seismic vessels, offshore oil and gas, charter and excursion vessels, tug and barge companies, large fishing and commercial vessels, ships of state and other government vessels. Similar to the marinas, Cruise and Maritime Operations' revenue also includes various services in addition to moorage and warehousing. The Port currently uses desktop software to manage terminal operations that generate approximately \$3.5 million annually in revenue.

### **PROJECT JUSTIFICATION AND DETAILS**

Because the aging MMS does not meet current business requirements for marina operations and was not designed to support terminal operations, many manual processes are in place which result in reducing the efficiency of organization. This includes waitlist management, moorage mapping, and all management of operations and rates for the non-leased terminals. A system that meets requirements, is easily updated as industry offerings and customer service needs evolve, and satisfies Port technology standards and security requirements will best support the Maritime Divisions goals.

#### ***Project Objectives***

- Provide a system that supports the requirements of marina and terminal operations for commercial and non-commercial customers with various billing methods, services, and business process.
- Promote operational excellence and efficiency through self-service and automation features and reduction of manual processing.
- Ensure security for credit card processing.

## **COMMISSION AGENDA**

Ted Fick, Chief Executive Officer

January 5, 2016

Page 3 of 4

### ***Scope of Work***

- Procure and implement a Vessel Moorage System that supports marina and terminal operations
- Interface to Port systems for billing and access control.

### ***Schedule***

|                         |              |
|-------------------------|--------------|
| Commission Approval     | January 2016 |
| Procurement Complete    | July 2016    |
| Implementation Complete | March 2017   |

## **FINANCIAL IMPLICATIONS**

### ***Budget/Authorization Summary***

|  | Capital   | Expense | Total Project |
|--|-----------|---------|---------------|
| Original Budget                              | \$550,000 | \$0     | \$550,000     |
| Previous Authorizations                      | \$0       | \$0     | \$0           |
| Current request for authorization            | \$550,000 | \$0     | \$550,000     |
| Total Authorizations, including this request | \$550,000 | \$0     | \$550,000     |
| Remaining budget to be authorized            | \$0       | \$0     | \$0           |
| Total Estimated Project Cost                 | \$550,000 | \$0     | \$550,000     |

### ***Project Cost Breakdown***

|                                 | This Request | Total Project |
|---------------------------------|--------------|---------------|
| Hardware                        | \$20,000     | \$20,000      |
| Software                        | \$90,000     | \$90,000      |
| Vendor Services                 | \$70,000     | \$70,000      |
| Port of Seattle Labor           | \$274,500    | \$274,500     |
| State & Local Taxes (estimated) | \$10,500     | \$10,500      |
| Contingency ~20%                | \$85,000     | \$85,000      |
| Total                           | \$550,000    | \$550,000     |

### ***Budget Status and Source of Funds***

This project was included in the 2016-2019 capital budget and plan of finance as a \$550,000 business plan prospective project within CIP #C800729, Vessel Moorage System. The source of funds is 100% General Fund.

## **COMMISSION AGENDA**

Ted Fick, Chief Executive Officer

January 5, 2016

Page 4 of 4

### ***Financial Analysis and Summary***

|                                       |                     |
|---------------------------------------|---------------------|
| <b>CIP Category</b>                   | Renewal/Enhancement |
| <b>Project Type</b>                   | Technology          |
| <b>Risk adjusted discount rate</b>    | N/A                 |
| <b>Key risk factors</b>               | N/A                 |
| <b>Project cost for analysis</b>      | \$550,000           |
| <b>Business Unit (BU)</b>             | Maritime Division   |
| <b>Effect on business performance</b> | N/A                 |
| <b>IRR/NPV</b>                        | N/A                 |
| <b>CPE Impact</b>                     | N/A                 |

### ***Lifecycle Cost and Savings***

An estimated \$18,000 increase in annual hardware and software maintenance costs are expected as a result of this project. This will be budgeted in the ICT Operating Budget.

## **STRATEGIES AND OBJECTIVES**

This project supports the following Century Agenda strategy:

- *Position the Puget Sound region as a premier international logistics hub*

A modern system that supports marina and terminal operations is critical to enhancing customer service and doubling economic value.

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1)** – Enhance the current system. Adding required features and updating existing functionality is estimated to cost the same as the other alternative. Because of the current system’s outdated technology, future modifications will be limited.

**This is not the recommended alternative.**

**Alternative 2)** – Procure and implement or develop a new Vessel Moorage System. The preference is to select a vendor solution through a competitive procurement that meets requirements for marinas and terminal operations and improves data integrity, system security, user efficiency, and customer service while adhering to Port technology standards. If there are no proposed systems that meet requirements, the system may be developed by Port resources.

**This is the recommended alternative.**

## **ATTACHMENTS TO THIS REQUEST**

- None

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- None