



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4c

ACTION ITEM

Date of Meeting June 27, 2017

DATE: June 19, 2017

TO: Dave Soike, Interim Executive Director

FROM: Mike Ehl, Director Airport Operations

SUBJECT: Rental Car Facility Fleet Tracking System Project (CIP #C800929)

Amount of this request: \$1,055,000

Total estimated project cost: \$1,055,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) proceed with the Rental Car Facility (RCF) Fleet Tracking System project to track and display bus arrival information and provide related customer service enhancements at Seattle-Tacoma International Airport; (2) procure required hardware, software, vendor services, and maintenance; and (3) use Port staff for implementation, for a total project cost not to exceed \$1,055,000.

EXECUTIVE SUMMARY

This project will procure a fleet tracking system via competitive procurement and will provide next bus displays for passengers, voice paging, wireless access, and music at all RCF and Main Terminal pick up locations to improve customer service and operational efficiency.

In 2016, the Port Airport Transit Operations (ATO) group shuttled over 5 million passengers to and from the RCF using a fleet of 29 buses. ATO supervisors currently have no visibility as to the whereabouts of a bus and the only communication available is via radio. Consequently, with no information about the location and activity of individual buses, it is difficult to maintain efficient control of bus operations as well as service standards and accountability. Passengers also have no information about the next bus arrival unless an on-site field supervisor happens to be available for questions. Amenities in the terminal such as wireless access, voice paging, and music are not available to passengers who often must wait several minutes for the next bus.

JUSTIFICATION

This project includes several important operational and customer service benefits.

- (1) Accurate information about bus location will provide supervisors the visibility to quickly assess and correct the flow of bus arrivals to ensure regular service as well as minimize impacts on already congested airport drives.

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- (2) The availability of analytical data on bus operations will enhance continuous improvement activities and provide a baseline for tenant conversations. This benefit was recently highlighted in a Continuous Process Improvement workshop.
- (3) Customer anxiety is lessened with information about next-bus arrival.
- (4) Important amenities available in the terminal are expanded to the pickup locations at the Main Terminal and RCF for customers that often wait several minutes for the next bus arrival.

DETAILS

Scope of Work

- (1) Procure and implement a fleet tracking system that will provide up-to-date information on bus locations and next-bus arrival times.
- (2) Installation of displays to show next-bus arrival times, voice paging, wireless access, and music at RCF and Airport Main Terminal pickup locations.
- (3) Feature in Sea-Tac Mobile Application showing next-bus arrival times.

Schedule

Commission Approval	2017 Quarter 2
Procurement Complete	2017 Quarter 4
Fleet Tracking System Installed	2018 Quarter 1
Construction Complete	2019 Quarter 1

Cost Breakdown

	This Request	Total Project
Fleet Tracking System	\$300,000	\$300,000
Port Labor – System Installation	\$125,000	\$125,000
Construction	\$577,000	\$577,000
WA State Tax	\$53,000	\$53,000
Total	\$1,055,000	\$1,055,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Procure a full-featured tracking system with no additional customer service features

Cost Implications: \$240,000

Pros:

- (1) Accurate bus location from 1 to 5 second Global Positioning System (GPS) refresh rates

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- (2) Tracking information on mobile devices for field supervisors
- (3) Robust reporting and analytics to support continuous improvement
- (4) 7X24 vendor support

Cons:

- (1) RCF customers have continued uncertainty of bus arrival times with no arrival time signage
- (2) Amenities available to passengers in the terminal are not available to waiting RCF customers

This is not the recommended alternative.

Alternative 2 – Procure a limited-feature tracking system with no additional customer service features.

Cost Implications: \$55,000

Pros:

- (1) Bus locations available to supervisors for improved efficiency

Cons:

- (1) RCF customers have continued uncertainty of bus arrival times with no arrival time signage and less accurate arrival estimates
- (2) GPS refresh rates averaging 30 to 60 seconds do not provide bus location accuracy to maximize efficiencies or calculate next-bus arrivals
- (3) Limited reporting and analytics
- (4) Amenities available to passengers in the terminal are not available to waiting RCF customers

This is not the recommended alternative.

Alternative 3 – Procure a full-feature tracking system with next-bus displays, voice paging, wireless access, and music

Cost Implications: \$1,055,000

Pros:

- (1) Displays and SeaTac Mobile Application showing next bus arrival, voice paging, music, and wireless access points will ease traveler anxiety and provide important customer service amenities available throughout the terminal
- (2) Accurate bus location from 1 to 5 second Global Positioning System (GPS) refresh rates
- (3) Tracking information on mobile devices for field supervisors.
- (4) Robust reporting and analytics to support continuous improvement
- (5) 7X24 vendor support

Cons:

- (1) Capital funding is not available for other efforts

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This is the recommended alternative.

FINANCIAL IMPLICATIONS

<i>Cost Estimate/Authorization Summary</i>	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$1,055,000	\$0	\$1,055,000
AUTHORIZATION			
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$1,055,000	\$0	\$1,055,000
Total authorizations, including this request	\$1,055,000	\$0	\$1,055,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project was not included in the 2017-2021 capital budget and plan of finance. \$1,055,000 for the capital funding will be transferred from the Non-Aeronautical allowance CIP (C800405), resulting in no net change to the Aviation capital budget. The project will be funded with Customer Facility Charges, a fee paid by rental car customers.

Financial Analysis and Summary

Project cost for analysis	\$1,055,000
Business Unit (BU)	Aviation Operations
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease.
IRR/NPV (if relevant)	NA
CPE Impact	None.

Future Revenues and Expenses (Total cost of ownership)

Recurring maintenance and license costs for this system are estimated at \$38,000. This will be budgeted in the Aviation Operations operating budget for 2018. Equipment support estimated at \$7,500 annually will be budgeted in the Aviation Maintenance operating budget for 2018.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None