



**COMMISSION
AGENDA MEMORANDUM**

Item No. 8c

ACTION ITEM

Date of Meeting November 9, 2021

DATE : November 1, 2021

TO: Stephen P. Metruck, Executive Director

FROM: Wendy Reiter, Director Aviation Security
Kenny Lyles, Director Maritime Operations and Security
Krista Sadler, Director Technology Delivery

SUBJECT: Badge System Upgrade (CIP #C801201)

| | |
|--|-------------|
| Amount of this request: | \$800,000 |
| Total estimated project cost: | \$800,000 |
| Estimated 10-year contract fee: | \$2,500,000 |

ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) proceed with the Badge System Update project and 2) execute contract(s) for software, equipment, vendor services, and ten years of software license and maintenance fees. The amount requested for project implementation is \$800,000 and the estimated ten-year software license and maintenance fee is \$2,500,000 (\$250,000 Annually). Fees for the software license and maintenance contract will be budgeted in the Information and Communication Technologies (ICT) operating budget.

EXECUTIVE SUMMARY

This project will upgrade the Badge System used Port-wide to create and manage approximately 22,000 access credentials for Seattle-Tacoma International Airport (SEA) and Port Corporate and Maritime locations. System users include the Aviation Credential Office, Maritime Security, Maritime Maintenance, Pier 69 Facilities, and Cruise Operators who vet credential requests following location specific requirements and assign and maintain appropriate access for Port of Seattle employees, tenants, consultants, and contractors.

The current Badge System, SAFE from HID Global, was initially deployed in 2014 as a result of a competitive procurement process. While additional features have been added, no significant upgrades have been completed since initial implementation. An upgrade of this system will ensure that security updates, system patches, and support are available for this critical system.

ICT, Aviation Security, and Maritime Security will partner to complete this project with HID Global. The capital project was included in the 2021-2025 capital budget and plan of finance in the amount of \$750,000. The additional \$50,000 will be added to the capital budget and plan of

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finance for 2023. Recurring cost, estimated at \$250,000 per year for up to ten years (\$2,500,000), will be budgeted in the ICT operating budget.

JUSTIFICATION

Access authorization through credential management is a complex and critical process for Airport and Maritime operations. At SEA, security requirements from the Department of Homeland Security, Transportation Security Administration (TSA) include mandatory background checks for new and renewed badge applications as well as continual vetting of badge holders against current threats. For Maritime badging, the United States Coast Guard (USCG) has a requirement for a Transportation Worker Identification Credential (TWIC) for several of our port locations. A robust and reliable credential management system is essential for Airport and Maritime operations.

Diversity in Contracting

We are seeking a competition waiver to work with a HID Global as they are the only firm that can provide the upgrade services for their equipment and software. We don't anticipate any subcontracting opportunities given the specialized scope and will not include a WMBE goal on this project.

DETAILS

Scope of Work

- (1) Upgrade of the HID SAFE system to the latest version
- (2) Server and Database infrastructure upgrades
- (3) Migration of data to new system

Schedule

| | |
|--------------------------|----------------|
| Commission authorization | 2021 Quarter 4 |
| Implementation Start | 2022 Quarter 1 |
| In-use date | 2023 Quarter 2 |

Cost Breakdown

| | This Request | Total Project |
|-------------------------------|------------------|------------------|
| Vendor Services | \$500,000 | \$500,000 |
| Software or Hardware Upgrades | \$50,000 | \$50,000 |
| Port of Seattle Labor | \$250,000 | \$250,000 |
| Total | \$800,000 | \$800,000 |

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Upgrade HID SAFE with private cloud hosting

Cost Implications: \$800,000 Capital Project Costs; \$2,750,000 annual fees over 10 years

Pros:

- (1) Ensures availability of security updates, system patches, and provides updated features of a new version.
- (2) Reduction of Port Labor required to maintain Badge System infrastructure

Cons:

- (1) Annual support costs increase by \$50,000 per year over recommended alternative.
- (2) Increased risk of support delay, cyber security exposure, and unavailability due to connectivity issues.

This is not the recommended alternative.

Alternative 2 – Procure and implement or build a replacement Badge System

Cost Implications: \$2,500,000 Capital Project Costs; \$2,500,000-\$3,500,000 annual fees over 10 years

Pros:

- (1) Ensures availability of security updates, system patches, and provides updated features of a new version.
- (2) A custom developed solution could meet all system requirements.

Cons:

- (1) There are very few providers of badge systems to meet the business and regulatory requirements for both an airport and seaport. A new procurement would likely require a complex solution integrating software systems from more than one vendor.
- (2) This alternative is both significantly more expensive than the alternative and will take longer for implementation.

This is not the recommended alternative.

Alternative 3 – Upgrade HID SAFE on Port supported infrastructure

Cost Implications: \$800,000 Capital Project Costs; \$2,500,000 annual fees over 10 years

Pros:

- (1) Ensures availability of security updates, system patches, and provides updated features of a new version.
- (2) Port of Seattle infrastructure is architected to protect the sensitive data and availability requirements of this critical system.

Cons:

- (1) Capital funds are not available for other projects.

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This is the recommended alternative.

FINANCIAL IMPLICATIONS

| <i>Cost Estimate/Authorization Summary</i> | Capital | Expense | Total |
|--|-----------|---------|-----------|
| COST ESTIMATE | | | |
| Original estimate | \$800,000 | \$0 | \$800,000 |
| AUTHORIZATION | | | |
| Previous authorizations | \$0 | 0 | \$0 |
| Current request for authorization | \$800,000 | 0 | \$800,000 |
| Total authorizations, including this request | \$800,000 | 0 | \$800,000 |
| Remaining amount to be authorized | \$0 | \$0 | \$0 |

Annual Budget Status and Source of Funds

This project was included in the 2021-2025 capital budget and plan of finance at an amount of \$750,000. The remaining \$50,000 will be budgeted in the 2023-2028 capital budget. The project will be funded 92% from the Airport Development Fund and 8% from the General Fund.

Financial Analysis and Summary

| | |
|---|---|
| Project cost for analysis | \$800,000 |
| Business Unit (BU) | Administrative, 92% allocation to Aviation |
| Effect on business performance (NOI after depreciation) | NOI after depreciating will increase due to inclusion of capital (and operating) costs in airline rate base |
| IRR/NPV (if relevant) | N/A |
| CPE Impact | Less than .01 in 2023 |

Future Revenues and Expenses (Total cost of ownership)

Ten-year recurring service, license, or maintenance fees, estimated at \$2,500,000, will be budgeted in the ICT annual operating budget beginning in 2022.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None