

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 6b
Date of Meeting April 27, 2010

DATE: April 12, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Michael Ehl, Director Airport Operations
Peter Garlock, Chief Information Officer

SUBJECT: Automated Vehicle Identification (AVI) System Replacement - CIP #C800227

REQUESTED AMOUNT: \$840,000 **SOURCE OF FUNDS:** Airport Development Fund

SALES TAX: \$13,000

ACTION REQUESTED:

Request authorization for the Chief Executive Officer (CEO) to approve all work and contracts, including executing and amending any and all necessary contracts and service directives, for the Automated Vehicle Identification (AVI) System Replacement Project in an amount not to exceed \$840,000. The project will be competitively procured.

SYNOPSIS:

This information technology project will competitively procure and implement a commercial ground transportation management system for tracking and billing Seattle-Tacoma International Airport (the "Airport") ground transportation operators, such as taxis, buses and shuttles. The new system will replace two existing ground transportation systems: AVI and Ground Transportation Vehicle Permits (GTV). The replacement of the ten year old systems is critical to the continued operation of the Airport's Ground Transportation Program that generates \$5,000,000 in revenue annually. The new system will also support new revenue opportunities, provide tools to assist with compliance enforcement, and reduce manual efforts to validate ground transportation activity. This project was included in the 2010 Plan of Finance.

BACKGROUND:

The current ground transportation solution includes two systems:

1. PassKey, a TransCore system, is an automated vehicle identification system. This system consists of several radio frequency identification (RFID) tag readers that record trips of registered and tagged taxis, buses, and shuttles through the designated drive lanes. Transportation companies are charged based on trips taken, and monthly invoices are

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generated through PeopleSoft based on manually entered information submitted to the Accounting Department.

2. GTV, an in-house developed application, tracks insurance and manages permits.

Critical issues with the systems include:

- The primary application, PassKey, was last updated in the year 2000 and is well past the useful life of a system supporting a critical program for the Airport. The impact of a system failure would be the loss of revenue from the Ground Transportation Program.
- PassKey is no longer sold or supported by the vendor, increasing risk in the event of a major failure.
- Because of software issues, costly manual reconciliation processes are in place to ensure accuracy. It is estimated that \$44,000 annually can be saved with a more accurate and efficient system.
- Using PassKey, the Airport cannot add card readers. This reduces flexibility to change garage configurations.
- There is overlapping functionality between GTV and PassKey that if consolidated would reduce the operational cost of maintaining duplicate data.

PROJECT DESCRIPTION AND SCOPE OF WORK:

Project Statement

Conduct Request for Proposal (RFP) to competitively procure and install a commercial ground transportation management system that functions with the current RFID hardware and develop an automated billing interface with the PeopleSoft Financial System. The ground transportation management software will manage and track vehicle and driver/owner information for billing and reporting purposes.

Project Objectives

- Integrate new software with existing TransCore RFID hardware.
- Improve efficiency and accuracy with enhanced performance, robust reporting, improved enforcement and compliance checking, and an automated billing interface to PeopleSoft Financials
- Improve reliability with new system infrastructure that meets Port technology standards
- Support new ground transportation programs and fee structures for revenue growth
- Enhance flexibility by offering compatibility with the Washington Department of Transportation RFID technology for toll collections

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Scope of Work

The proposed project is to competitively procure and install a commercial ground transportation management system, develop an automated billing interface with PeopleSoft Financials, and decommission the current PassKey and GTV applications.

STRATEGIC OBJECTIVES:

This project supports the following Port strategies:

- *Ensure Airport and Seaport vitality:* This project ensures that customer activity will not be disabled by aging systems and enables the Airport to expand its revenue opportunities from commercial vehicle management.
- *Be a high performance organization:* The new system will consolidate applications, eliminate duplicate data entry, and reduce operational costs by eliminating frequent manual validations.

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	\$840,000
Budget Transfers	\$0
Revised Budget	\$840,000
Previous Authorizations	\$0
Current request for authorization	\$840,000
Total Authorizations, including this request	\$840,000
Remaining budget to be authorized	\$0

Project Cost Breakdown:

Port of Seattle Labor	\$117,000
Vendor Implementation	\$441,000
Software Licenses & Hardware	\$135,000
Contingency 20%	\$134,000
Tax 9.5%	\$13,000
Total	\$840,000

Source of Funds:

This project was included in the 2010 capital budget and plan of finance within CIP #C800227, AVI Replacement. The source of funds is 100% Airport Development Fund.

Financial Analysis Summary:

CIP Category	Renewal/Enhancement
Project Type	Technology
Risk adjusted Discount rate	7.0%
Key risk factors	NA

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Project cost for analysis	\$840,000
Business Unit (BU)	Aviation Landside
Effect on business performance	NA
5 Year IRR/NPV	12%/\$118,000
CPE Impact	NA

PROJECT SCHEDULE:

Commission Approval	April 2010
Request for Proposal Bid Awarded	June 2010
Implementation Begins	July 2010
Project Completion	June 2011

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION:

1. *Conduct RFP and Purchase New System.* Competitively procure a commercial ground transportation system that functions with the Airport's existing RFID hardware. This solution will provide proven technology and features to meet current and future business needs. **This is the recommended alternative.**
2. *Build an In-House System.* Although a custom developed solution would have the advantage of meeting all business requirements, this solution would take longer than the recommended option and adds the risk of developing new technology to integrate with the RFID reader hardware. This is not the recommended alternative.
3. *Do Nothing.* This alternative risks system failure and disruption to customer activity and revenue. This is not the recommended alternative.