

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

**COMMISSION AGENDA**

**Item No.** 5g

**Date of Meeting** June 14, 2011

**DATE:** June 6, 2011

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Dave Soike, Director Aviation Facilities and Capital Program

**SUBJECT:** Airport Common Use System Emulation (CUSE) Migration Project

**Amount of This Request:** \$485,000      **Source of Funds:** Airport Development Fund

**State and Local Taxes Paid:** \$20,000

**Total Project Cost:** \$485,000

**ACTION REQUESTED:**

Request authorization for the Chief Executive Officer to approve all work and contracts, including executing and amending any and all necessary contracts and service directives, for the Common Use System Emulation (CUSE) Migration Project in an amount not to exceed \$485,000.

**SYNOPSIS:**

CUSE is an Aviation Division common-use passenger processing information system that was selected by a team from various departments and installed by the Information & Communication Technology (ICT) organization in 2009 to provide improved airline ticketing, check-in and baggage tagging capabilities.

ICT's design and deployment of the system necessitated the performance of certain on-going maintenance responsibilities to remain within the ICT group after the system was put into operational service. This action conflicted with the Port's Collective Bargaining Agreement with a represented labor group within the Aviation Division. After consultation with internal and external labor relations attorneys, Aviation Division leadership decided to have the system removed from the Port's ICT infrastructure and converted to a stand-alone platform to be supported by the Aviation Division's represented labor organization.

**BACKGROUND:**

The UltraElectronics company was chosen by the Port's Information & Communication Technology (ICT) organization to upgrade the Airport passenger processing information system that is used by airline agents at ticketing, aircraft gate boarding and in bag searches.

UltraElectronics company provided their UltraCUSE product. The UltraCUSE common-use passenger processing system was implemented at Sea-Tac Airport during the spring of 2009 in

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common-use areas of the Airport to provide improved airline ticketing, check-in, and baggage tagging capabilities. This system is used by eighteen airlines on 186 common-use positions across the Airport including gates, ticket counters, back offices, baggage offices, customs recheck, lounges, and cruise ticket podiums.

The UltraCUSE system currently resides on the Port's enterprise information technology infrastructure platform where various data and applications reside. The UltraCUSE system will be moved to a standalone platform, and responsibilities for the system will be transferred to the Aviation Division.

ICT initially estimated the project costs associated with the system conversion to be less than \$300,000. Subsequently, over the past months, project capital costs have been refined and have increased to \$485,000 identified in this authorization request.

### **PROJECT JUSTIFICATION:**

This project resolves and completes the agreement executed on December 14, 2010, by the Port of Seattle and International Brotherhood of Electrical Workers, Local No. 46.

### **PROJECT STATEMENT AND OBJECTIVES:**

#### ***Project Statement:***

Convert the UltraCUSE environment from virtual servers and workstations to a standalone platform of physical servers and personal computer (PC) workstations.

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

- Transfer all support responsibilities from ICT to the Aviation Maintenance organization
- Ensure Aviation Maintenance is adequately trained on all aspects of the system

### **PROJECT SCOPE OF WORK AND SCHEDULE:**

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

The scope of the project includes four components:

- Conversion of 186 UltraCUSE position thin clients managed through a virtual environment to fully configured PC workstations.
- Conversion from virtualized to physical servers.
- To meet Ultra Electronics' requirements, the system will be tested and certified by Ultra Electronics prior to system completion.
- Aviation Maintenance will be trained on the new system configuration by Ultra Electronics.

The impact to the airlines from this conversion project will be minimal. We are anticipating no required changes from the airlines but will include airline testing as part of the overall test plan.

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### ***Schedule:***

Commission Approval	June 2011
Procurement Complete	September 2011
Implementation Complete	December 2011

### **FINANCIAL IMPLICATIONS:**

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

Original Budget	\$485,000
Budget Increase	\$0
Budget Transfers	\$0
<b>Revised Budget</b>	<b>\$485,000</b>
Previous Authorizations this CIP	\$0
Current request for authorization	\$485,000
<b>Total Authorizations, including this request</b>	<b>\$485,000</b>
Remaining budget to be authorized	\$0

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

Port of Seattle Labor	\$132,000
Hardware	\$210,000
Vendor Services	\$42,000
Sales tax	\$20,000
Contingency – 20%	\$81,000
Total	\$485,000

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

Project costs are estimated to be \$485,000 under CIP # C800481. The source of funds is 100% Airport Development Fund. The project was not included in the 2011 – 2015 capital budget and plan of finance. Upon Commission approval of this request, the capital budget will be transferred from the aeronautical allowance CIP so that there will be no change in the total Aviation capital budget as a result of this project.

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

CIP Category	Renewal/Enhancement
Project Type	Technology
Risk adjusted Discount rate	N/A
Key risk factors	N/A
Project cost for analysis	\$485,000
Business Unit (BU)	Terminal
Effect on business performance	NOI after depreciation will increase
5 Year NPV	N/A
CPE Impact	Increase by less than \$.01 in 2012

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

Life Cycle costs may be higher as the replacement of the system PC's is projected to be required in the range of 5 to 10 years.

### **PREVIOUS COMMISSION ACTION OR BRIEFING:**

On September 23, 2008 the Commission authorized \$1,550,000 for the replacement of the Common Use Terminal Equipment (CUTE) system with Ultra Electronics' UltraCUSE common-use passenger processing system.