COMMISSION AGENDA	Item No.	5a
ACTION ITEM	Date of Meeting	May 1, 2012

DATE: April 23, 2012

TO: Tay Yoshitani, Chief Executive Officer

FROM: Wendy Reiter, Director, Aviation Security & Emergency Preparedness
Arif Ghouse, Senior Manager, Seaport Security

SUBJECT: ID Badge System Replacement – CIP #C800162

Amount of This Request: $2,500,000   **Source of Funds:** 90% Airport Development Fund, 7.48% General Fund, and 2.52% Tax Levy

Est. Total Project Cost: $2,500,000   **Est. No. of Jobs:** 0

Est. State and Local Taxes: $27,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to (1) proceed with the ID Badge System Replacement project; (2) authorize the procurement of required hardware, software, and vendor services; and (3) authorize the use of Port staff for implementation, for a total project cost not to exceed $2,500,000.

SYNOPSIS:

The Port of Seattle ID badging system manages enrollment workflow, access control administration, and the fabrication of over 17,000 badges for Port employees, contractors, vendors, and tenants requiring access to Port of Seattle facilities. In addition to the Port's operational needs, this system must meet the requirements established by the Department of Homeland Security (DHS), the Transportation Security Administration (TSA), and U.S. Coast Guard.

Our current ID badge system is almost 10 years old, and is becoming increasingly difficult to support due to aging hardware and software. In addition, the system's limited functional flexibility makes it challenging to comply with new and constantly changing security requirements.

The purpose of this project is to select and implement a new ID badge system that will serve the Port's needs well into the future. Information and Communication Technology (ICT), Aviation

Security, and Seaport Security resources will collaborate to complete the project. Total project costs are estimated to be $2,500,000. Funding for this project was included in the 2012 – 2016 Capital Budget and Plan of Finance, CIP #C8004162, ID Badge System Replacement. Recurring license and maintenance costs will be budgeted within the Information and Communication Technology (ICT) department budget.

BACKGROUND:

The current ID badging system is used by Aviation Security, Seaport Security, and Cruise Terminals of America to document access control profiles and proof of identity. It interfaces with external validation systems such as FBI and TSA fingerprint background and threat assessment databases. The system also fabricates and administers a variety of badges types that are used to gain access to secure and controlled facilities owned and operated by the Port of Seattle.

PROJECT JUSTIFICATION:

Critical Issues

- The Port of Seattle badging system is critical for meeting federal security requirements for both aviation and maritime operations.

- The current badging system is no longer able to keep up with the constant change in federal regulations. Manual workarounds are used to meet the growing inadequacies of the current system.

- Several interfaces are required to fully vet badge enrollees. These include interfaces for security threat assessment, fingerprint verification, terrorism watchlist, criminal background checks, and external training applications. Because of limitations in our current system, the transfer of information often involves manual input and inefficient business processes.

- Maintaining the security of sensitive information is a challenge with the current system. New systems that are available provide robust functionality to safeguard critical background information and reduce the reliance on human intervention.

Project Objectives

- Procure and implement a new ID badging system to meet the needs of Port operations
- Upgrade aging hardware and badging fabrication equipment
- Improve our ability to quickly comply with new security requirements as they occur
- More seamlessly interface with federal systems and databases

PROJECT SCOPE OF WORK AND SCHEDULE:

Scope of Work:

- Competitive procurement and implementation of a new badging solution
- Development of interfaces with federal screening systems and databases
- Upgrade to current hardware and operating system
- Implementation of a mobile application to facilitate badge verification and citations

Schedule:

Commission Approval	May 2012
Vendor Selected and Contract Complete	June 2012
System Configuration and Testing Complete	June 2013
Training and Deployment Complete	November 2013

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	$2,500,000
Budget Increase	$0
Revised Budget	$0
Previous Authorizations this CIP	$0
Current request for authorization	$2,500,000
Total Authorizations, including this request	$2,500,000
Remaining budget to be authorized	$0

Project Cost Breakdown:

Hardware	$270,000
Software Licenses	$870,000
Vendor Services	$400,000
Port of Seattle Labor or Contractors	$530,000
Sales tax	$110,000
Contingency ~ 15%	$320,000
Total	$2,500,000

Budget Status and Source of Funds:

This project was included in the 2012-2016 capital budget and plan of finance as a $2,300,000 business plan prospective project within CIP #C800162, ID Badge System Replacement. Upon authorization, $200,000 will be transferred from CIP# C800012, Services Technology Small Cap

to CIP#800162 in order to accommodate the added scope. The source of funds is 90% Airport Development Fund, 7.48% General Fund and 2.52% Tax Levy.

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	$2,500,000
Business Unit (BU)	Airport Security, Seaport Security
Effect on business performance	N/A
IRR/NPV	N/A
CPE Impact	.02

Lifecycle Cost and Savings:

Recurring software license costs are estimated to increase by $100,000 per year. Port recurring labor costs of $50,000 to maintain the system are not expected to change with the new system. This will be budgeted within the Information and Communication Technology (ICT) department budget.

STRATEGIC OBJECTIVES:

This project supports the following Port strategies:

- *Ensure Airport and Seaport vitality*: Protects the people, property and assets of the airport and seaport.
- *Enhance public understanding and support of the Port's role in the region*: Reduce chance of errors that can lead to negative publicity about the Port's security programs.
- *Be a leader in transportation security:* Replace aging technologies with state of the art integrated solutions that improve the vetting and production process for badge credentials.

BUSINESS PLAN OBJECTIVES:

The proposed solution will improve the efficiency and accuracy of enrollment, production, management, and tracking of Port of Seattle ID badges by leveraging currently available technology solutions. The new ID badging system will also ensure that the Port remains a leader in transportation security.

TRIPLE BOTTOM LINE SUMMARY:

This project will make badge enrollment and management processes for Port of Seattle, contractors, vendors, and tenants more efficient and reliable and improve safety for the traveling public by automating security requirements related to badge administration.

ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:

1. *Conduct Separate Projects.* Replace the badge system over time with a combination of vendor software and hardware applications integrated by the Port of Seattle ICT organization. Conducting a large enterprise project in phases will adversely affect the timing and schedule of deliverables. This is not the recommended alternative.

2. *Do Nothing.* The current badge system cannot keep up with the evolving security requirements of outside agencies such as TSA, is not compatible with current hardware, operating systems, and security updates, and has been experiencing frequent issues resulting in operational downtime for badge offices. This is not the recommended alternative.

3. *Conduct RFP and Purchase New System.* Competitively procure and implement a fully integrated and comprehensive Badge system from a single vendor. A comprehensive solution from a single vendor will eliminate the risks associated with the integration of software and hardware from disparate vendors potentially increasing project cost and schedule. **This is the recommended alternative.**

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

None.