

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA
ACTION ITEM

Item No. 4f
Date of Meeting January 6, 2015

DATE: December 30, 2014
TO: Ted Fick, Chief Executive Officer
FROM: Mike Ehl, Director Airport Operations
Peter Garlock, Chief Information Officer
SUBJECT: Public Parking Revenue Control System Replacement (CIP #C800728)

Amount of This Request:	\$5,500,000	Source of Funds:	Airport Development Fund
Est. Total Project Cost:	\$5,500,000		
Est. State and Local Taxes:	\$141,500	Est. Jobs Created:	N/A
Net Proceeds to the Port:	\$0		

ACTION REQUESTED

Request Commission authorization for the Chief Executive Officer to (1) proceed with the Public Parking Revenue Control System Replacement project; (2) authorize the procurement of required hardware, software, and vendor services; (3) authorize Port staff to implement the project for a total project cost not to exceed \$5,500,000; and (4) authorize procurement of post-implementation maintenance contracts.

SYNOPSIS

The public parking garage at Seattle-Tacoma International Airport (Airport) generates \$53 million in revenues from approximately 2 million parking transactions annually. Eighty-six percent of those transactions are conducted with credit card payments. To facilitate these business transactions, Aviation Operations relies on a parking revenue control system (PRCS) comprised of software, entry/exit and pay-on-foot devices, system infrastructure, and a credit card processing interface to a clearinghouse bank. Numerous availability and performance problems have occurred with the current system, and concerted efforts over the past 24 months to resolve these issues with the vendor have been unsuccessful.

This project will replace the current PRCS in order to increase functionality, improve reliability, and provide the robust financial tracking required in today's e-commerce environment. Information & Communication Technology (ICT) will manage the project. Total project costs are estimated to be \$5,500,000. While this project was not included in the 2015 – 2019 capital budget, upon approval, \$5,500,000 will be transferred from the Non-Aeronautical Allowance CIP (#C800405) resulting in no net change to the Aviation Division capital budget. Recurring

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software licensing and maintenance costs will be budgeted within the Aviation Maintenance operating budget.

BACKGROUND

The first generation PRCS was initially installed at the Airport in 1999 and operated until June 2012, when the current system was implemented. The existing system is comprised of parking and point-of-sale software, entry and exit lane hardware, pay-on-foot devices, and credit card processing equipment and interfaces to the bank clearinghouse. The Port procured the current system anticipating it could support new business development opportunities and parking programs appealing to a variety of customer needs. These include General Parking, Terminal Direct Parking, Passport Parking, Premier Corporate Parking, Game Day Parking, and Coupon Programs. Due to system reliability concerns, many of these new programs for revenue growth in the Airport garage could not be implemented.

PROJECT JUSTIFICATION AND DETAILS

The following issues have been identified with the current PRCS:

- Financial Tracking – The current system cannot provide a unique transaction identifier that ties all transaction records together, which makes it impossible to perform 100% reconciliation between parking activity, system payments, and bank receipts.
- System Instability – The architecture of the current system has insufficient logging and monitoring, is unnecessarily complex, and requires manual intervention to control backend processes, which impacts system availability and increases operational and maintenance costs.

Project Objectives

A new system will satisfy the following project objectives:

- PCI and PA-DSS Certification will improve the Port's ability to keep customer information secure and ensure the continued ability to accept bank cards
- A flexible system that will readily support enhancements, current and future parking programs, and new functionality
- Well documented, standard system interfaces that can be used to develop revenue generating programs and automate the transfer of data among other Port systems
- Robust maintenance and reporting processes to proactively address potential problems, stay current on patching, and audit of system processes
- Solid financial tracking, reporting, and reconciliation capabilities

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Scope of Work

- PRCS software and entry/exit and pay-on-foot devices selected via a Request For Procurement (RFP)
- Implementation of existing parking programs
- Integration with systems that facilitate payment processing and operations
- Europay, MasterCard, and Visa (EMV) Chip and Pin Credit Card processing
- Capability to utilize bar codes
- Minor construction to install new entry/exit devices
- Financial reports for reconciliation

Schedule

Commission Approval	December 2014
Procurement Complete	July 2015
Software Testing Complete	February 2017
Phased Field Device Installation Complete	June 2017

FINANCIAL IMPLICATIONS

Budget/Authorization Summary

	Capital	Expense	Total Project
Original Budget	\$5,500,000	\$0	\$5,500,000
Previous Authorizations	\$0	\$0	\$0
Current request for authorization	\$5,500,000	\$0	\$5,500,000
Total Authorizations, including this request	\$5,500,000	\$0	\$5,500,000
Remaining budget to be authorized	\$0	\$0	\$0
Total Estimated Project Cost	\$5,500,000	\$0	\$5,500,000

Project Cost Breakdown

	This Request	Total Project
PRCS Hardware and Software	\$1,820,000	\$1,820,000
Vendor Services	\$1,070,000	\$1,070,000
Port Resources	\$1,551,000	\$1,551,000
Contingency 20%	\$917,500	\$917,500
State & Local Taxes (estimated)	\$141,500	\$141,500
Total	\$5,500,000	\$5,500,000

Training costs, estimated at \$50,000 will be budgeted in the Aviation Maintenance and Airport Operations budget.

Budget Status and Source of Funds

While this project was not included in the 2015-2019 capital budget, upon approval, \$5,500,000 will be transferred from the Non-Aeronautical Allowance CIP (#C800405) to the Parking System Replacement CIP (#C800728) so there is no net change to the airport capital budget. The source of funds is the Airport Development Fund.

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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	\$5,500,000
Business Unit (BU)	Airport Operations
Effect on business performance	Will preserve existing revenues
IRR/NPV	N/A
CPE Impact	N/A

Lifecycle Cost and Savings

Software license and maintenance fees of \$380,000 are currently paid through the Aviation Maintenance operating budget. Total costs to maintain the system including estimated license and maintenance fees, as well as Port recurring labor costs are not expected to exceed current levels with this project.

STRATEGIES AND OBJECTIVES

This project supports the Century Agenda strategy to advance this region as a leading tourism destination and business getaway by ensuring the security of our customer's financial information and enabling the development of new parking program and services to meet customer demands.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1) – Work with the existing system provider to correct issues within the current system. The Port has been working with the vendor over the past 24 months on an agreement to complete contractual obligations, remedy security problems, improve monitoring capabilities, and stabilize the system. To date, we have been unable to come to a mutually acceptable arrangement to resolve the numerous issues identified for permanent resolution. This is not the recommended alternative.

Alternative 2) – Replace the current system with another Parking Revenue Control System selected via an RFP. Requirements that address problems with the current system will be highlighted in the procurement to ensure that the selected product offers the security and stability we need in a high-volume point of sale system. **This is the recommended alternative.**

ATTACHMENTS TO THIS REQUEST

- None.

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- March 8, 2011 – Parking System Replacement Procurement and Construction Management at Seattle-Tacoma International Airport Main Parking Garage (CIP #C800253)