



**COMMISSION
AGENDA MEMORANDUM**

Item No. 4f

ACTION ITEM

Date of Meeting July 11, 2017

DATE: June 22, 2017

TO: Dave Soike, Interim Executive Director

FROM: Mike Ehl, Director Airport Operations

SUBJECT: Airport Subway Information Displays Project Amendment (CIP #C800782)

Amount of this request: \$482,000

Total estimated project cost: \$3,052,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) execute a contract amendment with Advanced Application Design, Inc. for additional hardware, software, and vendor services for the Airport Subway Information Displays Project and (2) amend the current approved authorization for additional informational displays and features by \$482,000 for a total project cost not to exceed \$3,052,000.

EXECUTIVE SUMMARY

On August 9, 2016, the Commission approved the Airport Subway Information Display Enhancement project to procure and install a fully integrated digital signage system for inside subway cars and outside in stations, capable of displaying variable messages in multiple languages, video, and graphics for way-finding. A product was selected through a competitive procurement and the contract has been signed for the original project scope. During the procurement, additional features and display configurations were discussed that provide increased capacity to display customer service messages, improve way-finding, integrate audio, and ensure availability. These features include additional displays inside each train car, dynamic displays above escalators to subway in concourses B and C, and an integrated station audio upgrade.

The estimated contract amendment of \$430,000 is greater than ten percent of the original contract value; therefore, Commission authorization is required under the General Delegation of Authority, Section 4.2.3.8.

JUSTIFICATION

Good customer service is an important Airport strategy and clear way-finding, safety information, and subway status have a big impact on our traveling public. With record increases

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in passengers expected in 2017 and 2018, the efficient movement of passengers through the airport becomes critical. Following are more specific benefits of the new features.

- (1) Moving from 4 to 6 displays in each train car will increase our capacity to display messages in multiple languages at the same time and improve way-finding information.
- (2) Currently, static signage directs passengers in the B and C concourses down escalators to the subway system. No information is provided about closures or route changes which happen daily, causing confusion and frustration with passengers. This amendment will add dynamic displays to provide information about closures and way-finding.
- (3) The current train audio system is 20 years old and new features are currently available for scheduling audio and synchronizing with train operations, improving customer communication.
- (4) Additional signage for a test environment and spare displays will ensure new content and system upgrades are appropriately tested prior to release and there is quick access to replacement parts for long lead items.

DETAILS

Additional display signage described below is an integrated part of the Airport Signage Master Plan, currently in development.

Added Scope of Work

- (1) Procure and install additional display signage for Airport subway train cars, stations, Concourses B and C, a robust test environment, and spare equipment.
- (2) Upgrade the Airport subway audio system used for train car and station passenger communication.

Schedule

Commission Authorization – Original Scope	Quarter 3, 2016
Procurement Complete	Quarter 2, 2017
Commission Authorization – Amendment Scope	Quarter 2, 2017
Subway Display Replacement	Quarter 3, 2018
Project Complete	Quarter 4, 2018

Cost Breakdown

	This Request	Total Project
Hardware/Software/Vendor Services	\$382,000	\$2,082,000
ICT and Aviation Maintenance Labor	\$0	\$118,000
Design	\$35,000	\$150,000
Construction	\$35,000	\$517,000
State & Local Taxes (estimated)	\$30,000	\$185,000
Total	\$482,000	\$3,052,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not expand the scope of the current authorized project

Cost Implications: \$0

Pros:

- (1) Funding is available for other efforts

Cons:

- (1) There will be less flexibility to display customer service messaging and additional way-finding. Adding this capability at a later time will be significantly more expensive.
- (2) Improved messaging at concourse B and C escalators to the subway will be delayed until the Airport Signage program is in implementation.

This is not the recommended alternative.

Alternative 2 – Procure and implement additional signage and features

Cost Implications: \$482,000

Pros:

- (1) Increase capacity to display customer service messages to passengers.
- (2) Improve way-finding for passengers including advanced notification of closures and route changes.
- (3) A robust test environment will ensure new content and system upgrades are appropriately tested prior to release.
- (4) More features for scheduling audio content and synchronizing with train operations will improve communication with passengers on the subway train cars and in train stations.

Cons:

- (1) Funding is not available for other efforts.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$2,570,000	\$0	\$2,570,000
Current change	\$400,000	\$82,000	\$482,000
Revised estimate	\$2,970,000	\$82,000	\$3,052,000
AUTHORIZATION			
Previous authorizations	\$2,570,000	\$0	\$2,570,000

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Current request for authorization	\$400,000	\$82,000	\$482,000
Total authorizations, including this request	\$2,970,000	\$82,000	\$3,052,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project, CIP C800782, was included in the 2017-2021 capital budget and plan of finance as a business plan prospective project with a total capital budget of \$2,570,000. The additional \$400,000 for the capital funding will be transferred from the aeronautical allowance CIP (C800753) to the project (C800782) resulting in no net change to the Aviation Division capital budget.

Financial Analysis and Summary

Project cost for analysis	\$2,970,000
Business Unit (BU)	Terminal
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase
IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$0.01

Future Revenues and Expenses (Total cost of ownership)

Maintenance and support for this system was originally expected to increase by \$100,000. With the procurement complete, the current estimate for increased costs is now \$50,000. It is not expected to increase as a result of this amendment. This will be budgeted in the Aviation Maintenance Operating Budget.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 9, 2016 – The Commission authorized for the Chief Executive Officer to (1) proceed with the Airport Subway System Information Displays Improvement project; (2) procure required hardware, software, vendor services, and maintenance; and (3) use Port staff for implementation, for a total project cost not to exceed \$2,570,000.