COMMISSION
AGENDA MEMORANDUM   **Item No.**   8e

ACTION ITEM   **Date of Meeting**   March 8, 2022

DATE :   February 28, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Laurel Dunphy, Director Aviation Operations
             Krista Sadler, Director Technology Delivery

SUBJECT: Airport Resource Management System Upgrade (CIP #C801233)

Amount of this project request:	$1,300,000
Total estimated project cost:	$1,300,000
Ten-year maintenance contract:	$3,000,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) proceed with the Airport Resource Management system upgrade project and 2) execute contract(s) for software, equipment, vendor services, and ten years of software license and maintenance fees. The amount requested for project implementation is $1,300,000 and the estimated ten-year software license and maintenance/enhancement fee is $3,000,000 ($300,000 Annually).

EXECUTIVE SUMMARY

This project will upgrade the Resource Management System, Inform Groundstar, used by Seattle-Tacoma International Airport (SEA) to manage airport gates, flight information display systems (FIDS), baggage claim carousel assignments, ticket counters, and the airfield passenger busing operation for the airport and carriers. This system is a hub of operational information that interfaces with multiple airline and internal Port of Seattle systems and drives flight information provided to travelers through our Port of Seattle website and SEA mobile app.

This system was originally implemented in 2013 after a competitive procurement process and while enhancements have been made to data interfaces, the core hardware and software has not been updated. An upgrade of this system will ensure that security updates, system patches, and support are available for this critical airport system.

This authorization also includes a ten-year contract for recurring license and maintenance estimated at $2,600,000 and an estimated $400,000 for vendor services to support enhancements and integration with other systems that will likely be requested over the next ten years. For example, since implementation, additional services have been requested to support

flight information interfaces for the SEA app, Port website, Safedock, and Surface Area Management. Annual license and maintenance fees will be budgeted in the Aviation Maintenance annual operating budget. Future enhancements will be funded through expense or other capital projects.

ICT, Aviation Operations, and Aviation Maintenance will partner to complete this project with Inform. The capital project was included in the 2022-2026 capital budget and plan of finance in the amount of $1,300,000.

Fees for the software license and maintenance will be budgeted in the Aviation Maintenance operating budget or small capital projects as new requirements are identified.

JUSTIFICATION

The management of airport resources is a complex and critical process for Airport Operations and our airline partners and there is increasing levels of dependence on the information provided through interfaces to other customer service systems and planning processes. This upgrade will address three critical issues and opportunities.

(1) Due to the age of the system, it is increasingly difficult to maintain and integrate with other systems that rely on the flight-related information. This includes internal systems and airline carrier systems that feed schedule and real-time schedule changes.
(2) Computer hardware is at end-of-life and replacement parts are difficult to find.
(3) New features will be available to better manage aircraft parking, evaluate optimization strategies, and improve advanced planning capabilities.

A robust and reliable resource management system is essential for Airport and airline operations.

Diversity in Contracting

A competition waiver has been approved to work with Inform as they are the only firm that can provide the upgrade services for their equipment and software. We don't anticipate any subcontracting opportunities given the specialized scope and will not include a WMBE goal on this project.

DETAILS

Scope of Work

(1) Upgrade of the Inform Groundstar system to the latest version
(2) Server and database infrastructure upgrades
(3) Implementation of the Groundstar Gannt Chart module
(4) Interface upgrades as needed
(5) Migration of data to the new system

Schedule

Commission Authorization	2022 Quarter 1
Implementation Start	2022 Quarter 2
In-use Date	2023 Quarter 3

Cost Breakdown   This Request   Total Project

	This Request	Total Project
Vendor Implementation Services	$750,000	$750,000
Hardware and Software	$150,000	$150,000
Port Labor for Implementation	$400,000	$400,000
Total	$1,300,000	$1,300,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Procure and implement a new replacement solution for SEA resource management

Cost Implications: $3,750,000-$5,000,000 Capital Increase

Pros:
   (1)   Provides opportunity to re-evaluate offerings on the overall market

Cons:
   (1)   This option is significantly more expensive and will increase schedule by an estimated 2 years.
   (2)   Significant resources will be required not only to implement new system but also to negotiate with airlines to build and implement new interfaces.
   (3)   The current system meets Port feature requirements and performance specifications. A new system may not provide the same level of functionality or stability.

This is not the recommended alternative.

Alternative 2 – Upgrade Inform Groundstar and infrastructure to current versions

Cost Implications: $1,300,000 Capital

Pros:
   (1)   Least cost alternative to a stable system that meets requirements and performance specifications.
   (2)   Port and airline resources required for the upgrade are minimized compared to a replacement project.
   (3)   A robust resource management system on stable, fault-tolerant infrastructure will support critical airport and airline operations.

Cons:
   (1)   Capital dollars not available for other efforts.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary	Capital	Expense	Total
COST ESTIMATE			
Original estimate	$1,300,000	$0	$1,300,000
AUTHORIZATION			
Previous authorizations	$0	$0	$0
Current request for authorization	$1,300,000	$0	$1,300,000
Total authorizations, including this request	$1,300,000	$0	$1,300,000
Remaining amount to be authorized	$0	$0	$0

Annual Budget Status and Source of Funds

This project was included in the 2022-2026 capital budget and plan of finance at an amount of $1,300,000. The project will be funded from the Airport Development Fund.

Financial Analysis and Summary

Project cost for analysis	$1,300,000
Business Unit (BU)	Airport Operations
Effect on business performance (NOI after depreciation)	NOI after depreciation will decrease.
IRR/NPV (if relevant)	N/A
CPE Impact	$.01 beginning in 2023

Future Revenues and Expenses (Total cost of ownership)

Ten-year recurring license and maintenance fees and support estimated at $2,600,000 (average $260,000 annual) will be budgeted in the Aviation Maintenance annual operating budget. An additional $400,000 of contract capacity will be included for future small enhancements funded by expense or other capital projects as identified over the next ten years.

ATTACHMENTS TO THIS REQUEST

None