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COMMISSION

AGENDA MEMORANDUM Item No. 8h

ACTION ITEM Date of Meeting February 14, 2023

DATE: February 7, 2023

TO: Stephen P. Metruck, Executive Director

FROM: Krista Sadler, Directory Technology Delivery

SUBJECT: Port Headquarters WIFI Replacement (CIP #C801063)

Amount of this request: \$1,640,000

Total estimated project cost: \$2,500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to advertise, award, and execute a major public works contract and fund the construction phase of the P69 WIFI Replacement Project in the amount of \$1,640,000, and a total project authorization of \$2,500,000.

EXECUTIVE SUMMARY

This project will replace the current P69 wireless network to ensure continuity of WIFI service, deploy technology that adheres to Port security protocols, and provide full wireless coverage for work and public spaces. The Port WIFI is used extensively throughout P69 by employees, customers, and visitors to access internal Port systems and external internet. The network, deployed over a decade ago, is at end-of-life, no longer receives security updates, and doesn't provide the coverage or bandwidth needed to meet modern connectivity requirements. The project is currently in the final design/construction documentation phase, with design documents at the 100% stage of completion.

The capital project is included in the 2023 Capital Improvement Plan for a total cost of \$2,500,000. Recurring costs estimated at \$11,600 per year will be budgeted in the ICT operating budget beginning in 2023.

JUSTIFICATION

Replacing end-of-life hardware supports the Century Agenda goal of being a highly effective public agency by proactively maintaining technology critical for Port operations.

Template revised January 10, 2019.

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(1) The current wireless infrastructure is old, at risk of failure, and most components no longer receive security updates.

(2) Requirements for wireless access have changed over the last decade and the current wireless infrastructure is not able to accommodate the number and types of devices used by employees and visitors, as well as the bandwidth required for more sophisticated applications.

(3) As our workforce becomes more mobile, expectations for connectivity throughout P69 increase. The upgraded WIFI will include better coverage in areas without adequate connectivity.

Diversity in Contracting

Diversity in Contracting has evaluated the planned construction activities and established a 6% WMBE aspirational goal.

DETAILS

This project will replace the current WIFI at P69 with better coverage and bandwidth to meet requirements for modern and emerging technology, install equipment that adheres to the Port's security protocols, and minimize the risk of failure due to age. Following is the scope of work for this authorization.

Scope of Work

(1) Utilize IDIQ for a site survey to determine best wireless access point locations to provide full coverage at P69.

(2) Utilize in-house communication infrastructure Design Engineer to develop designs for installation of WIFI equipment and electrical and communication infrastructure.

(3) Procure WIFI and network equipment as needed to meet schedule expectations.

(4) Installation of communication room equipment by Port labor.

There are other Port sites with aging or insufficient wireless connectivity that may require

attention during this project. They will be addressed separately with operating funds or small capital projects. More comprehensive needs at other sites will be evaluated for future projects.

Schedule

Activity

Construction start 2023 Q2

In-use date 2024 Q1

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Cost Breakdown This Request Total Project

Equipment & Vendor Services \$0 \$585,000

ICT and Information Security Labor \$156,000 \$311,000

Design/Construction \$1,484,000 \$1,604,000

Total \$1,640,000 \$2,500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay Replacing the WIFI Infrastructure at P69

Cost Implications: \$0

Pros:

(1) Capital funds are available for other projects.

Cons:

(1) The existing WIFI is at risk of failure. This alternative will delay upgrades that may be more costly to the business if service is disrupted.

(2) The existing WIFI is unable to have the latest security remediations installed resulting in a security risk that is currently manually managed by Information Security personnel.

(3) The current WIFI infrastructure does not fully support an increasingly mobile workforce. This is not the recommended alternative.

Alternative 2 – Proceed with construction to replace the WIFI Infrastructure at Port Headquarters

Cost Implications: \$1,680,000

Pros:

(1) The wireless technology will adhere to the latest security protocols and the burden on Information Security to manually monitor the WIFI will be reduced.

(2) WIFI will be available throughout the facility for employees and public and will not fail due to aged hardware.

(3) Mobile business applications and devices will not experience degraded, interrupted, or slow functionality.

(4) New cabling infrastructure will support modern WIFI equipment and future initiatives precluded by current cable.

Cons:

(1) Capital funds are not available for other projects.

This is the recommended alternative.

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FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary Capital Expense Total

COST ESTIMATE

Original estimate \$2,500,000 \$0 \$2,500,000

AUTHORIZATION

Previous authorizations \$860,000 \$0 \$860,000

Current request for authorization \$1,640,000 \$0 \$1,640,000

Total authorizations, including this request \$2,500,000 \$0 \$2,500,000

Remaining amount to be authorized \$0 \$0 \$2,500,000

Annual Budget Status and Source of Funds

This project was included in the 2023 Capital Plan under committed CIP #C801063 Office Wi-Fi Refresh in the amount of \$2,500,000.

The project will be funded 81.3% with the Airport Development Fund and 18.7% General Fund.

Financial Analysis and Summary

Project cost for analysis \$2,500,000

\$2,065,000 (Airport's cost)

Business Unit (BU) P69 Facilities and ICT

Effect on business performance Annual depreciation will increase by approximately (NOI after depreciation) \$250,000 based on an estimated 10-year life and annual operating expenses are estimated to increase by \$11,600

for recurring license/maintenance fees.

IRR/NPV (if relevant) NA

CPE Impact Less than \$.01 in 2024

Future Revenues and Expenses

Annual recurring license and maintenance fees, estimated at \$11,600 per year, will be budgeted in the ICT annual operating budget beginning in 2023.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

August 10, 2021 – The Commission authorized funds for design, hardware, vendor services, licensing, and maintenance in support of P69 WIFI and network services at P69.

Template revised June 27, 2019 (Diversity in Contracting).