



2023_03_14_RM_8d_Memo_Badge-System-Replacement.pdf

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COMMISSION

AGENDA MEMORANDUM Item No. 8d ACTION ITEM Date of Meeting March 14, 2023

DATE : March 6, 2023

TO: Stephen P. Metruck, Executive Director FROM: Wendy Reiter, Aviation Security Director Kenneth Lyles, Maritime Operations and Security Director Krista Sadler, Technology Delivery Director SUBJECT: Badge System Replacement (CIP #C801201) Amount of this request: \$4,200,000 Total estimated project cost: \$5,000,000 Ten-year maintenance cost: \$2,500,000 ACTION REQUESTED

Request Commission authorization for the Executive Director to 1) proceed with a revised project to replace the Port Badge System and 2) execute contract(s) for software, equipment, vendor services, and ten years of software license and maintenance fees. The project capital amount requested for the originally authorized system upgrade was \$800,000. An additional \$4,200,000 is requested for the revised system replacement scope. The estimated ten-year software license and maintenance fee remains the same at \$2,500,000. EXECUTIVE SUMMARY

This project will replace the Badge System used Port-wide to create and manage over 24,000 access credentials for Seattle-Tacoma International Airport (SEA) and Port Corporate and Maritime locations. System users include the Aviation Credential Office, Maritime Security, Maritime Maintenance, Pier 69 Facilities, and Cruise Operators who vet credential requests following location specific requirements and assign and maintain appropriate access for Port of Seattle employees, tenants, consultants, and contractors.

In November 2021, an \$800,000 project was authorized by Commission to upgrade the existing badge system with a planned implementation start of 1st quarter 2022. Minimal funds have been spent towards the original scope. A contract to begin the implementation has not yet been executed and Port Security Leaders are now advocating a competitive procurement for long term stability of this critical system. The current system was deployed in 2014 and while additional features have been added, no significant upgrades have been completed since initial implementation.

Template revised January 10, 2019.

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ICT, Aviation Security, and Maritime Security will partner to complete this project. The revised capital amount was included in the 2023-2027 capital budget and plan of finance in the amount of \$5,000,000. Recurring cost, originally estimated at \$250,000 per year for up to ten years (\$2,500,000) has not changed with the revised scope and will be budgeted in the ICT operating budget.

JUSTIFICATION

Access authorization through credential management is a complex and critical process for Airport and Maritime operations. At SEA, security requirements from the Department of Homeland Security, Transportation Security Administration (TSA) include mandatory background checks for new and renewed badge applications as well as continual vetting of badge holders against current threats. For Maritime badging, the United States Coast Guard (USCG) has a requirement for a Transportation Worker Identification Credential (TWIC) for several of our port locations. A robust and reliable credential management system is essential for Airport and Maritime operations.

Diversity in Contracting

Project staff will work with the Diversity in Contracting Department to determine if a direct women-and-minority-owned business enterprise (WMBE) aspirational goal should be assigned. Opportunities may be limited given the specialized scope.

DETAILS

Scope of Work

(1) Competitively procure and implement a system that will support the complex

8d. Memo from Special Meeting held Mar 14, 2023 12:00pm at Pier 69

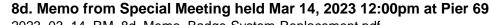


requirements for our Aviation and Maritime locations.

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(2) Install on current-version infrastructure to ensure long-term sustainability. (3) Migrate legacy system data to new system where appropriate. (4) Integrate with Port financial system, TSA security clearance system, Access Control system and others. (5) Complete a robust testing cycle that ensures compliance with agency regulations. Schedule Activity Commission authorization 2023 Quarter 1 Procurement Complete 2023 Quarter 3 In-use date 2025 Quarter 1 Cost Breakdown This Request Total Project Software, Equipment, and Vendor Services \$3,850,000 \$4,400,000 Port of Seattle Labor \$350,000 \$600,000 Template revised June 27, 2019 (Diversity in Contracting). COMMISSION AGENDA - Action Item No. 8d Page 3 of 4 Meeting Date: March 14, 2023 Total \$4,200,000 \$5,000,000 ALTERNATIVES AND IMPLICATIONS CONSIDERED Alternative 1 - Continue with project to upgrade the existing badge system. Cost Implications: No Change to existing project authorization Pros: (1) Ensures availability of security updates, system patches, and provides updated features of a new version. (2) Port of Seattle infrastructure is architected to protect the sensitive data and availability requirements of this critical system. Cons: (1) A delay in the availability of a new version that meets Port of Seattle requirements impacts the sustainability of a critical security system. It is currently unknown when the new version might be available. This is not the recommended alternative. Alternative 2 - Competitively procure and implement a badge system. Cost Implications: \$4,200,000 in increase project costs over authorized upgrade Pros: (1) While software that meets the stringent requirements of our regulatory commitments is limited, options are newly available that could provide desired features on a more aggressive cadence. (2) Current system support is complex and software that better manages required peripherals may reduce support costs and operational impacts. Cons: (1) A replacement project is significantly more expensive than an upgrade and will require a much longer implementation schedule, delaying possible improvements. (2) To meet requirements of both an airport and a seaport the new system may require additional software integrations or process change. This is the recommended alternative. FINANCIAL IMPLICATIONS Cost Estimate/Authorization Summary Capital Expense Total COST ESTIMATE Original estimate \$800,000 \$2,500,000 \$3,300,000 Current change \$4,200,000 0 \$4,200,000 Revised estimate \$5,000,000 \$2,500,000 \$7,500,000 **AUTHORIZATION** Template revised June 27, 2019 (Diversity in Contracting).

COMMISSION AGENDA – Action Item No. 8d Page 4 of 4 Meeting Date: March 14, 2023 Previous authorizations \$800,000 \$2,500,000 \$3,300,000 Current request for authorization \$4,200,000 0 \$4,200,000 Total authorizations, including this request \$5,000,000 \$2,500,000 \$7,500,000 Remaining amount to be authorized \$0 \$0





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Annual Budget Status and Source of Funds This project was included in the 2023-2027 capital budget and plan of finance at an amount of \$5,000,000. The project will be funded 92% from the Airport Development Fund and 8% from the General Fund. Financial Analysis and Summary Project cost for analysis \$5,000,000 Business Unit (BU) Administrative, 92% allocation to Aviation Effect on business performance NOI after depreciation will increase due to inclusion of (NOI after depreciation) capital (and operating) costs in airline rate base IRR/NPV (if relevant) N/A CPE Impact \$0.01 in 2026 Future Revenues and Expenses (Total cost of ownership) Ten-year recurring service, license, or maintenance fees, estimated at \$2,500,000, will be budgeted in the ICT annual operating budget beginning in 2024. ATTACHMENTS TO THIS REQUEST None PREVIOUS COMMISSION ACTIONS OR BRIEFINGS November 9, 2021 - The Commission authorized the Executive Director to 1) proceed with

the Badge System Update 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 was \$800,000 and the estimated ten-year software license and maintenance fee is \$2,500,000 (\$250,000 Annually).

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