



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6d

ACTION ITEM

Date of Meeting March 26, 2019

DATE: March 18, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Krista Sadler, Director Technology Delivery

SUBJECT: Airport Subway Train Display System Project Completion (#C800782)

Amount of this request: \$285,000

Total estimated project cost: \$3,287,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to amend the current approved authorization for the Airport Subway Information Display Enhancement project by \$285,000 for a total project cost not to exceed \$3,287,000.

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 new system has been installed and is in-use in most train cars and train stations. Only the North Satellite and Concourse B train station display installations remain to complete the project.

The new system is currently configured for English plus seven languages that rotate on a continuous basis, providing critical visual and voice communications to our diverse customer population. Current display technology enables bright, vibrant signage improving way-finding and flexibility to incorporate service messages and changing routes.

Additional connectivity requirements, unique display fabrications, and limited work intervals have increased costs requiring an additional \$285,000 to complete the project. The budget was transferred from the Aeronautical Allowance C800753 resulting in no net change to the Aviation Division Capital budget.

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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 in passengers expected over the next several years, the efficient movement of passengers through the airport becomes critical.

DETAILS

Scope of Work

This authorization will allow for the completion of connectivity and display installation in the North Satellite and Concourses B Train Stations as well as provide for additional translation services.

Schedule

Activity

Commission Authorization for Amendment	2019 Q1
Installation Completion	2019 Q2
In-use date	2019 Q2

Cost Breakdown

	This Request	Total Project
Hardware/Software/Vendor Services	\$20,000	\$2,102,000
ICT and Aviation Maintenance Labor	\$40,000	\$158,000
Design	\$20,000	\$170,000
Construction	\$205,000	\$672,000
State & Local Taxes (estimated)	\$0	\$185,000
Total	\$285,000	\$3,287,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not complete signage installation

Cost Implications: \$150,000 Annually

Pros:

- (1) Capital costs are available for other efforts.

Cons:

- (1) Inconsistent wayfinding will result in negative impact to passenger experience. Less flexibility to display customer service messaging and additional way-finding.
- (2) Maintenance will need to support two systems, continuing to support an aging system in some areas, as well as the new system in other areas.
- (3) Operations will need to update multiple systems when updating key customer service and safety messages. This will delay information and increase the risk of error.

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This is not the recommended alternative.

Alternative 2 – Authorize additional funding to complete the project.

Cost Implications: \$285,000

Pros:

- (1) The customer service and safety benefits of an enhanced display system with audio integration is available in the North Satellite and Concourse B train stations.
- (2) An aging display system is decommissioned reducing maintenance and operations costs and risk of service interruption.

Cons:

- (1) Additional capital funds are 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
Previous changes – net	\$350,000	\$82,000	\$432,000
Current change	\$285,000	0	\$285,000
Revised estimate	\$3,205,000	\$82,000	\$3,287,000
AUTHORIZATION			
Previous authorizations	\$2,920,000	\$82,000	\$3,002,000
Current request for authorization	\$285,000	0	\$285,000
Total authorizations, including this request	\$3,205,000	\$82,000	\$3,287,000
Remaining amount to be authorized	\$0	\$0	\$0

Annual Budget Status and Source of Funds

This project, CIP C800782, was included in the 2019-2023 capital budget and plan of finance as a business plan prospective project with a total capital budget of \$2,920,000. The budget increase of \$285,000 was transferred from the Aeronautical Allowance C800753 resulting in no net change to the Aviation Division capital budget.

Financial Analysis and Summary

Project cost for analysis	\$3,287,000
Business Unit (BU)	Terminal Building
Effect on business performance (NOI after depreciation)	NOI after depreciation will increase

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IRR/NPV (if relevant)	N/A
CPE Impact	Less than \$0.01 in 2019

Future Revenues and Expenses (Total cost of ownership)

Annual support costs are not expected to change as a result of the project amendment.

ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 11, 2017 – The Commission authorized a project and contract amendment in the amount of \$482,000 to support additional product features.

August 9, 2016 – The Commission authorized project funds and contract execution in the amount of \$2,570,000.