



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6f

ACTION ITEM

Date of Meeting September 10, 2019

DATE: July 12, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Stuart Mathews, Director, Aviation Maintenance
Erik Knowles, Senior Manager, Aviation Maintenance

SUBJECT: Contract for Controls and Software Support for Various Baggage Handling Systems (BHS)

Total estimated contract cost: \$500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute contracts for controls and software support for multiple Baggage Handling Systems (BHS) at the Seattle-Tacoma International Airport over a period of five years at the Port's discretion for a total estimated cost of \$500,000.

EXECUTIVE SUMMARY

The baggage handling controls and software services contracts provide technical support to conduct regular maintenance and to ensure the Airport's proprietary baggage handling software systems are fully supported when services are needed beyond that, which Port staff can provide. The service providers will be responsible for providing full technical support for the baggage software systems, should the need arise, 24 hours per day, seven days per week.

JUSTIFICATION

We are proposing to continue to use service providers to perform additional service on our controls networks within our baggage system once Port resources are exhausted. This is an effort to provide the level of service necessary for our airline partners; timely, accurate screening and sortation of baggage is critical to baggage system operations. Failure to correctly screen, sort checked baggage, and deliver it to the correct destination in a timely manner can result in costly delayed or lost bags for airports and airlines. This, in turn, can negatively impact the customer experience. Technical support for these systems in the form of software and hardware maintenance, trouble shooting, and root cause investigation will be critical to ensure the BHS remains fully capable. Beyond the regular maintenance necessary to be performed by the service providers, Port staff utilizes the service providers for additional support services

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approximately 12 times a year. We intend to continue to use this valuable service in the future in support of the baggage handling system.

Diversity in Contracting

Although there will be limited subcontracting opportunities for this procurement, AV and CPO will be coordinating with the Diversity in Contracting Department to maximize outreach to potential women- and minority-owned business enterprise firms capable of performing these services.

DETAILS

The estimated cost for each year of the contracted services is budgeted within the annual Aviation Division operating budget. The estimated value of these contracts is \$500,000 over a five-year period. The proposed contract scopes and terms are similar to the current service agreement.

Over the next 5 years we may have multiple vendors providing phone support and call out support on systems related to their own source code as new systems come online, such as Control Touch, Webb, and an Airport-wide SmartSuite (BCRS) system. We will execute the contracts to be as flexible as possible to allow competition within the system’s proprietary constraints.

Scope of Work

The scope of work for this procurement is to provide controls and software support for multiple Baggage Handling Systems at the Seattle-Tacoma International Airport. This service needs to provide remote support, followed by onsite resolution with travel included, should a need arise. The service support will include, but not be limited to the following systems:

- (1) C25 Lower Level & Upper Level Controls
- (2) C1/C92 Lower Level & Upper Level Controls
- (3) C88 Lower Level & Upper Level Controls
- (4) C60/61 Lower Level & Upper Level Controls
- (5) Airport-wide SmartSuite (BCRS)

The scope of these contracts requires the service providers to supply the Seattle-Tacoma International Airport with support services that will provide stable and reliable access to service provider staff that are informed and knowledgeable on the control systems for the indicated systems. The support service contracts will allow for fast and reliable solutions to service issues when they arise.

Included in this service is 24/7 Remote Support assistance. This will provide the Seattle-Tacoma International Airport on-site staff with access to on-call personnel who are knowledgeable

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about the systems and are able to handle support issues when they arise, 24 hours a day, seven days per week.

Schedule

The goal of this procurement will be to bid, award, test, and implement one or more service contracts by December 31, 2019.

Activity

Commission authorization	2019 Quarter 3
RFP out to bid	2019 Quarter 3
RFP awarded	2019 Quarter 4
Contractor begins installation and testing	2019 Quarter 4
In-use date	2020 Quarter 1

Cost Breakdown

	This Request	Total Contract
Project management	\$0	\$0
BHS contracts	\$500,000	\$500,000
Total	\$500,000	\$500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not execute service contracts for this service.

Cost Implications: No cost to the Port.

Pros:

- (1) This \$500,000 would not need to be utilized for this service and an expense savings could be realized.

Cons:

- (1) If a software or hardware control system failure were to occur that on-site Airport staff could not resolve, the airlines utilizing that system could be severely impacted until an emergency procurement could be executed.

This is not the recommended alternative.

Alternative 2 – Hire additional technical staff.

Cost Implications: Estimated \$600,000 (per year) for 4 Engineering FTEs to be available around the clock should systems need critical support and to conduct regular maintenance.

Pros:

- (1) Internal staff, trained and ready to perform system troubleshooting, would be a great way for the Port to be technically independent of reliance on outside support.

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Cons:

- (1) It would be difficult for the Port to achieve all the rights necessary to access proprietary systems to be fully effective.
- (2) Hiring and training such technical personnel would take a significant period of time. These resources would not be ready to support by 2020.
- (3) The cost of hiring FTEs for this role exceeds the cost to contract this work.

This is not the recommended alternative.

Alternative 3 – Execute one or more contracts for controls and software support for multiple Baggage Handling Systems (BHS) at the Seattle-Tacoma International Airport.

Cost Implications: \$500,000 (5 years)

Pros:

- (1) This is in alignment with how we operate today. Technical experts are available 24/7 to support our Port staff in an effort to keep the BHS running efficiently. This method has worked effectively.

Cons:

- (1) These contracts consume expense funding that could be utilized for other activities if the contract were not executed.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$0	\$500,000	\$500,000
AUTHORIZATION			
Previous authorizations	0	0	0
Current request for authorization	0	\$500,000	\$500,000
Total authorizations, including this request	0	0	0
Remaining amount to be authorized	\$0	\$500,000	\$500,000

Annual Budget Status and Source of Funds

The annual estimated cost of \$100,000 was included in the Aviation Division’s operating budget, as it was for the 2019 budget. The cost for each year of the contracts is budgeted within the annual Aviation Division operating budget. The funding source is the Airport Development Fund. The costs are fully recovered from airlines through fees for use of the baggage system.

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ATTACHMENTS TO THIS REQUEST

None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None