



AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute a Professional Services Agreement with AeroCloud Systems, Inc. to Implement a Cloud Based Common Use Solution and Provide Hosting/Support at the Oakland International Airport for a Five-Year Term with Two, One-Year Options to Extend for a Maximum Compensation Not to Exceed \$870,000 and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. (Technology and Innovation)	
<u>Submitted By:</u> Kyle Mobley, Director of Technology and Innovation; Danny Wan, Executive Director	
<u>Parties Involved:</u> AeroCloud Systems, Inc. Wilmington, DE	<u>Amount:</u> \$60,000 (capital expense) and \$810,000 for seven years of hosting and support (operating expense)
EXECUTIVE SUMMARY: The Port of Oakland (Port) owns and maintains a Common Use system for airline check-in counter and gate podium software and hardware in Terminal 1 at OAK. Port Staff conducted a formal competitive process to select a cloud based common use solution for hosting and support. AeroCloud Systems, Inc. (AeroCloud) was the top ranked firm from this process. The not-to-exceed total covers all costs to migrate all airlines, training, hosting, hardware refresh assistance and support.	

BACKGROUND & ANALYSIS

The Port owns and maintains a common use system for airline check-in counter and gate podium software / hardware in Terminal 1 at OAK. This system allows any airline to operate from any check-in counter or gate creating operational and construction flexibility while allowing the Port to maximize the capacity of existing assets. The existing system was implemented in 2013 and is due for modernization.

In June 2024, the Port conducted a Request for Proposal (RFP) process to select the most qualified firm to provide a new cloud based common use system at OAK. The Port is migrating more systems to cloud based solutions to reduce the amount of on-premise information technology (IT) and environmental infrastructure and to increase scalability and flexibility.

The RFP schedule was as follows:

- RFP issued: June 7, 2024
- Mandatory Pre-Proposal Meeting: June 21, 2024
- Proposal Due Date: July 18, 2024
- Interviews with the Evaluation Committee: October 2, 2024

Currently there are a very limited number of firms worldwide that provide common use solutions specific to the aviation industry, and the Port received five proposals by the

submission deadline. The evaluation committee (Committee) included the IT Security Manager, the OAK Terminal Services Manager as well as representatives from Delta Airlines, Southwest Airlines, ServiceTec International, and the Port's Social Responsibility Division. The Committee reviewed and scored the five proposals based on the criteria set forth in the RFP as listed below:

Item	Criteria	Weights
	<u>Adherence to Port Policy and Other Requirements and Debarment Statement</u> Proposals from companies who have not or will not adhere to the Port Policy and Other Requirements or who have been debarred and have not provided sufficient reasons/justification for the Port to review the circumstances surrounding the debarment will not be forwarded to the evaluation committee for review. (Items 6 and 8 of the Submission Requirements section.)	Pass/Fail
1	<u>Company Information, Client References, Litigation and Other Information, and Required Forms</u> Respondent's capacity to provide professional service as evidenced by past performance, company information, reference checks, litigation and other information, and required forms. (Items 1, 3, 7, and 8 of the Submission Requirements section.)	20%
2	<u>Knowledge and Experience</u> Respondent's knowledge and experience in providing a common use passenger processing system as evidenced from your response to item 2 of Submission Requirements section.	25%
3	<u>Plan and Approach</u> As evidenced from your response to item 4 of the Submission Requirements section.	25%
4	<u>Proposed Costs</u> As evidenced from your response to item 5 of the Submission Requirements section, and as provided on the Proposal Worksheet.	15%
5	<u>Non-Discrimination and Small Local Business Utilization Policy (NDSLBP)</u> Does your company meet the Port's definition of Small Local Business and/or make a commitment to the Port's values and programs {e.g., mentoring small and/or very small local businesses and providing meaningful work for small and/or very small local sub-consultants; utilization of college and high school interns from the Local Impact Area (LIA); participation in job fairs and trade fairs targeted to LIA residents and businesses; and other work showing the consultant's efforts to contribute to the economic development of the LIA}? The Port will evaluate companies that have provided substantiating documentation to prove they meet the Port's NDSLBP program and award points accordingly to qualifying companies.	15%
	Total	100%

After scoring the five submitted proposals, the Committee invited all to participate in interviews to clarify and support information provided in their submissions. Following the five interviews, the rankings were as follows:

Company Information	Ranking
AeroCloud System Inc.	1

SITA Information Networking Computing USA Inc.	2
Amadeus Airport IT Americas Inc.	3
ARINC Incorporated, a Part of Collins Aerospace	4
Embross USA Inc.	5

A completely cloud-based solution will allow the airport to significantly speed up the time and reduce the effort required to bring a new airline into OAK. The current common use solution can take two to three months to bring a new airline on-board. The AeroCloud solution can deliver airline reservation systems to the check-in counter and gates in a few weeks or less.

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- Not a "Project" under CEQA, as defined in Public Resources Code § 21065.
- "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- Other/Notes:

BUDGET

- Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
 - Operating Non-Operating Capital

Analysis: The ongoing support of the common use system is included in Aviation's FY 2025 Operating Expense Budget and budgeted under Aviation IT. Aviation IT support costs associated with terminal operations are recoverable in from airline rates and charges.

STAFFING

- No Anticipated Staffing Impact.
- Anticipated Change to Budgeted Headcount.
Reason:
- Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?
No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.

Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **Yes.**

GENERAL PLAN (City Charter § 727):

Conformity Determination:

<p><u>Reason:</u> The proposed action will support the Port's goal towards moving to cloud-based solutions. This will reduce the Port's overall carbon footprint by reducing the number of servers, onsite storage, material consumption and waste, and energy.</p>	<p>Maritime/Aviation – proposed action conforms to policies for transportation designation of the General Plan.</p>
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STRATEGIC PLAN. The proposed action would help the Port achieve the following goal(s) and objective(s) in the Port's Strategic Business Plan:

- | | |
|--|---|
| <input type="checkbox"/> Grow Net Revenues | <input checked="" type="checkbox"/> Modernize and Maintain Infrastructure |
| <input checked="" type="checkbox"/> Improve Customer Service | <input type="checkbox"/> Pursue Employee Excellence |
| <input checked="" type="checkbox"/> Strengthen Safety and Security | <input checked="" type="checkbox"/> Serve Our Community |
| <input checked="" type="checkbox"/> Care for Our Environment | |