SHUTTS & BOWEN LLP

September 1, 2009

Ms. Brenda Billingsley
Broward County
111 N Andrews Ave
Fort Lauderdale, FL 33301

Re: RFP No. 2007-0514-0-AV-01, Airport Information Management System

Dear Ms. Billingsley:

Our firm represents Infax, Inc. ("Infax") with respect to the above-referenced Request for Proposals, which was intended to be for a cutting edge Airport Information Management System ("AIMS"). AirIT was ranked first by the Evaluation Committee on February 25, 2008. It has taken over 19 months to get a contract to the Commission. Likewise, more than two years have elapsed since this procurement was first advertised (June 2007), and over three (3) years have elapsed since the RFP specifications were first conceived and drafted. Frankly, AIMS-related technology has evolved so dramatically during this time that we urge the County to consider whether it is in its best interest to continue with award of this contract to AirIT. For example:

- During the intervening three years, the International Air Transportation Association has finalized its new "CUPPS" standard for airport ticketing and passenger processing equipment. AirIT is not participating in Cupps. Thus, AirIT's system is not CUPPS compliant, and will not be compatible with the official international standards for AIMS projects.
- The qualifications of AirIT have changed in that they have dropped out of the CUPPS testing program and will not deliver an IATA-compliant solution.
- Technology standards have evolved so significantly that the "DAPP" solution proposed is out-of-date, inefficient and prohibitively expensive. For example, the "CUPPS" solution proposed by Infax would cost approximately $1 million less.
- Additional cost savings could be achieved by revising the specifications because FLL has already installed many of the components required under the RFP.

We urge the County to ask BCAD staff and its consultant to determine whether the original procurement specifications are consistent with newer technology in the marketplace at major, modern airports. Likewise, the Selection Committee should be convened to consider whether AirIT is qualified to deliver an IATA compliant system, pursuant to Section 21.84(d), Selection Committee Procedures. Pursuant to the Cone of Silence exemptions contained at 1-266(e) of the County Code, we respectfully request that the Evaluation Committee, Kent George and the County Commission be copied on this correspondence (and your response) and that it be included in the Agenda Item being prepared by staff.

Sincerely,

SHUTTS & BOWEN LLP

George I. Platt

SHUTTS & BOWEN LLP

M E M O R A N D U M

TO: George I. Platt

FROM: Michael J. McAllister

DATE: September 1, 2009

RE: RFP No. 2007-0514-0-AV-01, Airport Information Management System

---

More than two years have now elapsed since the above-referenced procurement was first advertised (June 2007), and more than three (3) years have elapsed since the specifications were first drafted. Given that this is a high-technology procurement in a rapidly evolving field, it is worth considering whether it is in the County's best interest to continue with this award to the first-ranked vendor, AirIT, as several critical aspects of this technology have changed. For the reasons articulated herein, the County should reconvene the Selection Committee (SC) to determine whether the original procurement specifications are consistent with newer technology now available in the marketplace as well as recent changes at FLL. The SC should also revisit whether AirIT's qualifications and financial stability have changed so substantially that the recommended award is no longer in the County's best interest. See: Administrative Code, Section 21.84(d), Selection Committee Procedures.

CUPPS – A New Global Standard Not Included in this RFP

First, the proposed "DAPP" solution is not compliant with international standards and should be evaluated in that context. To that end, the County should consider whether it desires to have a *CUPPS* compliant system. As the airport surely knows, CUPPS is the emerging airport technology standard adopted by the International Air Transport Association ("IATA"), Airports Council International (ACI) and the Air Transport Association (ATA) as the standard for common use equipment in airports. The importance of this designation cannot be understated. IATA is the universally recognized global standards trade organization for airlines, airports and airport technology. For example, IATA assigns airport call signs (e.g. FLL, MIA, etc.) and its "CUTE" standard is the current interface used by most airports throughout the world for systems such as the one envisioned here. See: *Joint Recommended Practice Document*, attached.

At the time of the solicitation, it was understood that CUTE would be phased out and a new standard would be adapted by IATA, however, it was unclear what that standard would be. With this in mind, FLL's consultant sought a "DAPP" system, which we assert is proprietary to

AirIT. Various drafts of the RFP specifications oscillated between "CUPPS" and "DAPP". Apparently, at the time specifications were drafted the County's consultant incorrectly believed that "DAPP" would be part of the emerging CUPPS standard.

In short, *the County's consultant was wrong*. Two years later CUPPS is now the official, approved standard for all airports throughout the world by IATA. As is explained in more detail below, global pilot programs are in process throughout the world by each of the major common use equipment companies (including the Infax Team's partners). However, **AirIT is not participating in a CUPPS pilot and will not be CUPPS certified.** Tellingly, AirIT had initiated a CUPPS pilot in Sacramento, but later dropped out of the CUPPS initiative. Thus, FLL will not be CUPPS compliant if it proceeds with the intended award, *which will increase carrier costs and make the airport less desirable.*

AirIT Is Not Qualified to Deliver an Industry-Standard System

In addition to considering the overall scope of this procurement, BCAD staff and the Evaluation Committee should review recent changes in AirIT's qualifications. Central among these is the abrupt termination of its Sacramento test-program of its Extended Airline System Environment ("EASE") and CUPPS certification effort. *See: Attached CUPPS Update Presentation from October 2008 (including Sacramento) and April 2009 (de-listing AirIT's pilot).* AirIT touted its EASE system and cited its work at Sacramento Airport to Broward County during its presentation and proposal.

This is a significant development because it will mean that AirIT is not part of the developing IATA CUPPS standard, which six months ago was adopted as the IATA and ACI standard for common use equipment. AirIT's non-participation in CUPPS means higher costs and greater frustration for airport customers. In fact, in a 2006 presentation by AirIT touting its CUPPS-centric EASE initiative, AirIT noted the importance of the emerging CUPPS standard, stating: "Airlines are growing increasingly frustrated with the implementation of different versions of CUTE systems at different airports. It is very difficult and expensive to have to support multiple platforms and varying implementations." *See: AirIT presentation, attached.* Yet, this is exactly the situation FLL will face if it proceeds with the current award to a vendor that is not participating in the IATA standardization pilots.

This about-face is telling because virtually all of AirIT's marketing materials trumpet its IATA compliance. For example, AirIT's marketing materials cite EASE as "An Early Example of the Developing IATA CUPPS Standard." Likewise, AirIt's website notes that its Local Departure Control Systems (LCDS), which is a component of this RLI, offers "fully integrated production of IATA standard boarding passes and baggage tags". Additionally, AirIT's Baggage Management System materials note that its "Baggage Service Messages, as defined by IATA, are supported in various versions and accepted from all airlines." IATA compliance is clearly an important sales point for AirIT's service, but Broward County is no longer assured that AirIT will be IATA compliant moving forward.

Infax and the Other Competitors are IATA CUPPS Partners

By comparison, Infax's team, and the other major proposers for this project including Ultra,

SITA and RESA are participating in the IATA CUPPS development, testing and pilot programs. While it may not have been certain that all players would adopt the CUPPS standard three to four years ago when this procurement started, CUPPS has now officially been designated as the new IATA and ACI Approved Common Use Passenger Processing System. This standard was adopted six months ago as part of IATA's Recommended Practice Directive No. 1797 – RP1797, which is attached for your reference. CUPPS trials are well underway in Las Vegas (ARINC), Dublin (Ultra), Orlando (SITA), Brussels (RESA) and Kendala, India (IBS).

Other Financial Considerations

In light of the above, AirIT's qualifications changes hold the potential for an enormous financial impact to Broward County as it embarks upon a program that will be sub-standard for the industry and which will likely have a far shorter lifecycle due to industry changes. This *immediate obsolescence* is magnified by the fact that **AirIT is already nearly one million dollars more expensive than the second ranked proposer, the Infax Team**.

Accordingly, due to the extremely long incubation period for this RFP, the airport should be concerned that the technology proposed is out of date and the fact that the airport has installed many of the components for this project already under different contracts. For example, a major component of this project was video installations. However, over the past two years FLL has proceeded to replace its video displays in all terminals because they could not wait for this contract to let.

Finally, the County should consider whether AirIT is financially capable of performing the contract. This contract negotiation required more than ten meetings between negotiators and AirIT which calls into question AirIT's ability to perform the work as bid. Likewise, a major point of contention was a security bond, which was eliminated from consideration, but put back in following a records request by our firm for the indemnity provisions of the draft contract. It is our understanding that AirIT's decision to terminate its CUPPS program in Sacramento may have been related to its unwillingness or inability to fund the program.

Conclusion

Given the stakes, the Selection Committee should be reconvened to consider changes to AirIT's qualifications and the emerging IATA standards before proceeding with an agenda item seeking final award of this contract. Such a review is required by the County's Administrative Code when a proposers financial strength or qualifications have changed. See: Administrative Code, Section 21.84(d), Selection Committee Procedures. By comparison, an award to the second ranked proposer, the Infax Team, would ensure that the County receives a state-of-the-art, IATA and ACI certified system at a substantial discount. Infax has completed a significant amount of work at FLL, enjoys an outstanding relationship with airport staff, and is ready to commence work immediately.

Attachments

1. CUPPS, Joint Recommended Practice Document (IATA, Air Transport Association and Airports Council International) Cover. Joint Reference Numbers, 1797 (IATA), 30.201 (ATA), 500A07 (Airports Council International).

Original Document: http://www.iata.org/nr/rdonlyres/57b3bab5-bb76-4652-bb0c-9acd47b1111b/0/cuppsrpv0100i01010000.pdf

2. October 26, 2008 CUPPS Update Presentation to AAAE / ACC Information for Airports Technology Conference (listing AirIT / Sacramento as a CUPPS pilot)(excerpt only).

Original Document: http://events.aaae.org/sites/080906/assets/images/Lufthansa%20-%20CUPPS%20Update.pdf

3. April 2009 ACI-BIT CUPPS Update (AirIT removed from CUPPS Participation Matrix)(excerpt only).

Original Document: http://aci-na.org/static/entransit/belliotti_cupps.pdf

4. AirIT 2005 Presentation citing AirIT's EASE system as "an early example of the developing CUPPS standard" at page 5 (excerpt only).

Original Document: www.iaae.org/meetings/southampton/Mark%20Sapp%20Pres.ppt

5. AirIT marketing materials referencing the importance of IATA compliance. (excerpt only).

Original Document: http://www.airit.com/passenger-bms.cfm

6. June 2009 Go Kiosk Article - Citing Four Active Pilots; No AirIT CUPPS Pilot cited.

Original Document: http://www.gokiosk.net/kiosk/2009/06/cupps-the-platform-of-the-future.html

FTLDOCS 5462751 1

Attachment 1

Common Use Passenger Processing Systems

Recommended Practice

International Air Transport Association

Recommended Practice 1797

Air Transport Association

Recommended Practice 30.201

Airports Council International

Recommended Practice 500A07

CUPPS Version: 01.00
Document Issue: 01.01.0000
Last Updated: 16MAY2008

*** FINAL ***

Attachment 2

3RD ANNUAL AAAE/ACC

INFORMATION TECHNOLOGY for AIRPORTS CONFERENCE

OCTOBER 26–28, 2008

DOUBLETREE MISSION VALLEY >> SAN DIEGO, CA

AAAE

ACC AIRPORT CONSULTANTS COUNCIL

Who is Participating?

Supplier	Airport	LH	WS	CO	AA	IB	??	??
AirIT	SMF							
ARINC	LAS		X		X			
IBS	TRV						X	X
RESA	BRU	X				X		X
SITA	MCO	X	X					
Ultra	DUB			X		X		

Attachment 3

Common Use Passenger Processing Systems (CUPPS)

ACI-BIT Status Report: April2009

Current Participation Matrix

Supplier	Airport	LH	WS(SITA)	CO	AA	IB	IT	WS (ARINC)
ARINC	LAS		X	X	X			O
IBS	MAA						X	
RESA	BRU	X				X		
SITA	MCO	X	O	X	X			X
Ultra	DUB			X		X		
TravelSky	TBD							

Shutts & Bowen Notation: AirIT is no longer listed in the participation matrix.

CUPPS
COMMON USE PASSENGER PROCESSING SYSTEMS

Attachment 4

The Mandate for Change: A New & Improved Common Use Solution

IATA JPSC/24 PSC/26 - Agenda Item 12 - OCT2004 (submitted by Delta Air Lines)

"Airlines are growing increasingly frustrated with the implementation of different versions of CUTE systems at different airports. It is very difficult and expensive to have to support multiple platforms and varying implementations.

"From a business standpoint, many airports are deploying CUTE systems and the 'CLUB' concept put forth in IATA RP1797 is not applicable insofar as management of the system is concerned.

"Moreover, the technical landscape against which CUTE is developed/deployed, has changed significantly. From the core operating system to peripheral devices that are available for airline use, the system, as envisioned in IATA RP1797, does not reflect today's circumstances.

"IATA RP1797 is outdated and needs to be rewritten. Following on to the success of the Common Use Self Service (CUSS) kiosk standard-setting process, shepherded so ably by IATA, a review of RP 1797 should be handled in much the same manner. In fact, it would seem that there may be some level of cross-over between the two standards. The participants should be generally the same set of interested parties. We respectfully suggest that this matter be referred to the CUSS group (or that another, similar group be instituted)."

An Early Example of the Developing IATA CUPPS Standard: AirIT's Extended Airline System Environment (EASE™)

- Airlines operate in their own 'Universe' (Operating System, Environment & Applications)
- Nothing operates on the CUPPS workstation except the 'Airline Universe'
- Supports any peripherals the airline and airport select
- System security; based on secure VLAN switching or dedicated VLANs
- Standard commercial-off-the-shelf (COTS) components
- No vendor certification required
- No specialized airline training needed
- Airline can upgrade their 'Universe' on their own
- Changes from one airline will not impact any other airline
- Accommodates exclusive, preferential and shared usage
- Availability ≥99.8%
- Local Departure Control System (LDCS) provided as an airline host-systems back up and for charter carriers without a DCS
- Fully compliant with airline needs
- Low cost of deployment
- Low cost of operation, maintenance and upgrade

Attachment 5

PASSENGER PROCESSING SYSTEMS

return to main product category page

BMS by AirIT
Baggage Management System

The Baggage Management System is the state-of-the-art solution for optimal and trouble-free operation of baggage handling systems.

Baggage Service Messages, as defined by IATA, are supported in various versions and accepted from all airlines.

BMS determines and controls the path of every bag from the induction to the make-up racetracks, thereby ensuring the optimal use of system resources.

BMS allows for detailed planning of all flights for the following days, based upon current data retrieved on-line from the airport operational database (AODB). Easy operation by means of Gantt charts is supported by constraint verification and conflict warnings.

Comprehensive baggage tracking is absolutely imperative for every modern baggage handling system. Wireless communication and the inclusion of boarding data are but a few of the options **BMS** offers.

more information

PASSENGER PROCESSING SYSTEMS

return to main product category page

LDCS by AirIT
Local Departure Control System

Local departure control systems are a necessary element in today's airport passenger processing strategy. The advent of low-cost start up airlines and regularly scheduled charters mandates the need for an efficient cost effective local departure control system strategy.

LDCS by AirIT is a straight-forward, feature rich solution that allows airline operations without proprietary departure control systems to deliver first-rate passenger and baggage handling by alleviating the need to manually process passengers and baggage.

LDCS features include:

- Common-use passenger and baggage processing for airlines and charter operators;
- Fully integrated production of IATA standard boarding passes and baggage tags;
- Simple import of passenger data from a variety of messaging and data formats;
- Fully customizable aircraft seat maps to accommodate any aircraft and configuration;
- Complete required APIS functionality and integration;
- Available as a standalone application or as an integrated module of the EASE common use passenger processing system.

Uncompromising Value and Performance:

LDCS by AirIT delivers the most cost effective local departure control system in the industry. Whether paired with our EASE common use solution, or deployed as a standalone application, LDCS by AirIT provides valuable performance functionality to an airport's passenger processing strategy.

For more information, click here

Attachment 6

CUPPS: The Platform of the Future (Airline Kiosk)

By Administrator on June 26, 2009 7:04 PM

CUPPS has been architected as the platform of the future, able to accommodate many things even beyond the agent-facing applications that it will initially address. The biggest benefit will be that one air carrier application will be able to run anywhere on any CUPPS providers platform.

While the technical trials are ongoing, the compliance trial parameters are being defined and the technical specification updated with lessons learned. Errors and omissions are being fixed so that the time required to execute the specification update segment can be minimized.

There are currently four active trials in progress - Las Vegas (ARINC), Orlando (SITA), Dublin (Ultra) and Brussels (RESA). "While the actual execution of the trials has changed over time due to the installation and site-specific needs, the overall progress is proceeding as planned," said Samuel Ingalls, Assistant Director of Aviation, Information Systems, Las Vegas McCarran International Airport, who is also Chair of the CUPPS Leadership Team. He continued: "Our original goal was to have the technical trials completed by April 15, 2009, but we learned through the pilot process that the critical milestone in the schedule is the publication of the Technical Specification. Each of the four trials is progressing with different tasks, in different orders, based on the participants' views and needs, and therefore they are completing the trial milestones in different orders. This flexibility has allowed us to learn more in a quicker manner, as well as giving everyone the freedom to complete their tasks in a manner that is comfortable for them."

Once the technical trials are completed, the applications and platforms will be compliance tested and then certified to the specification. The specification will be updated then published by IATA.

The technical trials are scheduled to be complete on 15 July; the certification trials are scheduled to be complete on 8 July for platforms and 15 July for applications. The technical specification is scheduled for completion by 15 September.

Catherine Mayer, SITA's Vice-President for Airport Services, explained that the pilot is critical to ensure that the technical standard works as expected, especially the interoperability of CUPPS applications among the different platform vendors. "The intent is to have vendors test their platform with at least two airline applications and for these same airlines to test their new CUPPS application on at least two vendor's platforms," she said. "If there are technical issues or discrepancies, the Technical Committee can update the technical specification before its final release, again ensuring success and following a logical practice that is new for aviation industry Recommended Practices. This is the first time that the industry has ever ensured such testing and recommended practice development; it is a great showing of the benefits of industry collaboration."

There are currently four active trials in progress - Las Vegas (ARINC), Orlando (SITA), Dublin (Ultra) and Brussels (RESA). Once the technical trials are completed, the applications and platforms will be compliance tested and then certified to the specification. The specification will be updated then published by IATA.

SITA began testing at Orlando in January, with WestJet passengers checked-in and boarded using the CUPPS technology. When testing is fully completed, SITA's AirportConnect Open platform will be considered as CUPPS compliant prior to a general product launch later in the year.

Lufthansa is participating in the pilot trials with SITA at Orlando and RESA at Brussels. "We have been conducting thorough testing of our CUPPS application (CLIP - CUPPS LH Integration Platform) and the platform suppliers' platforms we are doing pilot trials with," said Thomas Jeske, senior manager - IT infrastructure, Lufthansa. "It is of no surprise that while for the first time these new platforms and the LH middleware get integrated an array of issues arise that even a very thorough Technical Specification could not foresee. So we have had several test runs (integration tests) in our labs both with SITA and RESA. We have reached a stage where we feel our code is stable enough to provide it to SITA and RESA to do their own testing/integration testing in their labs."

ARINC's CUPPS platform went live at Las Vegas McCarran in January. ARINC worked with the international IATA/ATA/ACI CUPPS team to develop the CUPPS Technical Specification published in 2008. The company fast-tracked its deployment of the vMUSE CUPPS platform installed for the CUPPS Pilot Project at Las Vegas McCarran. John Belcher, ARINC Chairman & CEO, said: "This is a true breakthrough for the aviation industry. CUPPS represents a major investment by ARINC that will give the industry tremendous savings. ARINC's vMUSE platform is now being enhanced to simultaneously run legacy CUTE applications, newer CUPPS applications, and airlines' native applications - a capability we launched in Singapore in November 2007."

RECENT ENTRIES

EMV Level 2 - Just what does it mean?
The purpose and goal of the EMV standard is to specify interoperability between EMV compliant IC cards and EMV compliant…
By Administrator | Comments (0)

CUPPS: The Platform of the Future (Airline Kiosk)
CUPPS has been architected as the platform of the future, able to accommodate many things even beyond the agent-facing applications…
By Administrator | Comments (0)

EMV takes aim at U.S.
Nice article on SecureIDnews covering EMV. by Andy Williams, Associate Editor, Avisian PublicationsLike a massive tidal wave, EMV continues to roll…
By Administrator | Comments (0)

Tokenization and Enterprise Security
Nice article on tokenization which also highlights lack of formal standards for tokenization at this time. Credit Card Tokenization: Put All…
By Administrator | Comments (0)

Wal-Mart's Kiosk Trial Raises Serious PCI, Data Ownership Issues
Wal-Mart this month became the latest major retailer to experiment with self-service kiosks, selling space in 77 stores for units…
By Administrator | Comments (0)

Proximity (NFC) Mobile Payment Technology - Security Whitepaper
The opportunities offered by the advent of proximity mobile payments are clear; differentiated payment services, increased transaction volumes, faster transactions,…
By Administrator | Comments (0)

Look Beyond Hospitality Touch Screen Solutions
Whether you realize it or not, touch technology quickly is becoming the intuitive input delivery method of choice. Look no…
By Administrator | Comments (0)