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Virtual Queuing **Proposal for MCO**

Virtual Queuing and Reservation Platform
October 2022

Submitted to:

Matthew Conrad
Assistant Director, Landside Division
Orlando International Airport

Executive Summary

Scope

We offer our Virtual Queuing and Reservation Platform (VQRP) across security screening checkpoints at Orlando International Airport (MCO) for a 12-month live period. We assume all passengers have access to book a slot free of charge.

Costs

We offer a subscription to VQRP for 12 months across security checkpoints at a cost of $300,000. This includes 12 months of software subscription, dedicated account management and an integration to the flight schedule feed.

CLEAR team staffing is offered to MCO at a discounted hourly rate, totalling $208,050 based on 5am-5pm hours of operation, 7 days a week for the 12 month subscription.

In addition, we are pleased to offer a continuation of our current pilot program for up to 3 additional months or until the contract is finalized (whichever comes first) to allow time for procurement.

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October12, 2022

Dear MCO team,

We are pleased to submit this **updated** proposal to provide a Virtual Queuing and Reservation Platform (VQRP) to support Orlando International Airport (MCO).

Since October 2021, we have successfully implemented our VQRP at MCO with outstanding results. We aspire to build a long-term partnership with MCO in providing a proven and efficient VQRP that will provide a whole new and improved experience for travelers at MCO.

Please don't hesitate to reach out if you have any questions.

Sincerely,

Kasper Hounsgaard   Michael Twersky
Chief Executive Officer   General Manager, Virtual Queuing
Copenhagen Optimization   CLEAR

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1. Introduction

We believe that there is more to virtual queuing than scanning a QR code. For us, each allocated slot is an opportunity to improve operational efficiency, reduce peaks, and offer a better passenger and stakeholder experience. With our VQRP, MCO will have a state-of-the-art solution supported by a group of passionate aviation professionals. We can continue to help MCO offer a truly unique and excellent passenger experience while improving operational efficiency.

Benefits for MCO

- **Improved Operational Efficiency (peak reduction)** – By using optimized Virtual Queuing (VQ) slot allocation, peak pressure can be balanced over time
- **Impact Passenger Flow** – Using the VQRP, passengers can be incentivized to utilize specific airport locations at specific times, ensuring increased utilization of areas.
- **Decrease in Wait Times** – 91% of passengers have saved time using the VQRP.
- **Increased Spending at Commercial Areas** – Survey results show that 63% of passengers using the VQRP increased their spending within the commercial areas of the airport.
- **Improved Passenger Experience** – The VQRP provides a seamless and predictable journey for your passengers, allowing them to fully appreciate all of MCO's offerings.
- **Provide Service to all Customers** – The VQRP can be utilized throughout the airport, from booking a slot at security and check-in to reserving service for disabled passengers. A service by MCO to passengers, airlines, and agencies.
- **Fully Customizable** – The VQRP can be tailored to meet the needs of MCO and can be fully integrated to any airline system.

2. About the VQRP

Our solution is built around several principles of what we believe a VQ solution should offer – that virtual queuing can and should be much more than a QR code. Today, the principles define our core functionality, and they stay at the forefront of our continued development. Our solution must:

- Provide one seamless experience for the passenger;
- Automate the process to reduce manual work but retain full transparency and user control;
- Provide operational efficiencies by recommending which flights (and passengers) should be eligible for virtual queuing while being flexible and agile to account for different setups;
- Inform airport operators and key stakeholders how virtual queuing impacts the operation and allows them to act accordingly; and
- Ensure situational awareness to the airport operator and key stakeholders.

How does it work?

The VQRP provides a fully automated virtual queuing service that uses intelligence and mathematical algorithms to ensure an optimized and user-friendly experience for all users.

The process flow is shown in Figure 1 below and explained throughout this paragraph. The VQRP uses the daily flight schedule and identifies eligible flights for virtual queuing based on a combination of rule setup and mathematical algorithms. It defines the number of virtual queue slots available while providing full situational awareness to security teams and other stakeholders on how the virtual queue utilization will impact their operations. In essence, creating a common operating platform shared between MCO and its stakeholders. As slots are booked, this information is updated to give a real-time estimation of impact. To further enhance the situational awareness, we are able to integrate into any wait-time and automated passenger tracking solution.

The sign-up process is facilitated together with the airlines and other platforms with passenger outreach, such as car parking, and you can provide the ability to offer one seamless experience to the passenger. We provide the software needed for the passenger to sign up in advance of leaving home or onsite at the airport.

Once signed up, the passenger receives a QR code which is scanned by an agent at the airport. The agent can utilize a standard smartphone for scanning the QR code, eliminating the need for expensive hardware and providing full flexibility on where to offer the virtual queuing service.

The entire flow is continuous, ensuring that the newest information is always reflected and considered.
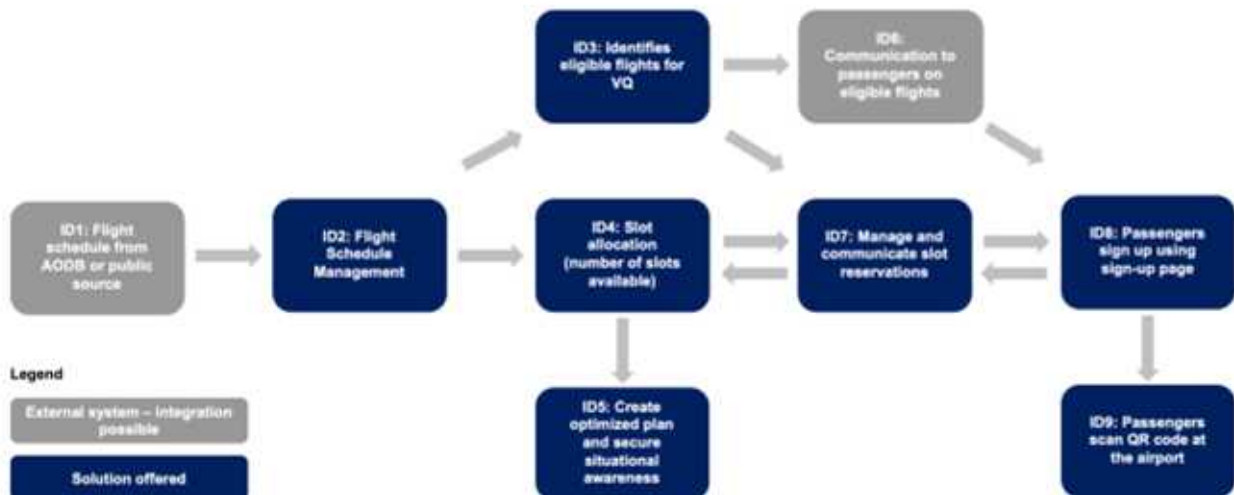

Figure 1: The process from when a flight schedule is received by the VQRP to when the passenger scans their QR code at the airport. Fully automated.

Efficiency and increased commercial spend

Based on our experience from working with multiple airports on VQ, 60%-65% of passengers using the VQRP increase their spend at the airport due to shorter wait times and improved passenger experience when using the VQRP.

3. Costs

As discussed, we offer the VQRP subscription across security screening checkpoints for a one-time cost as outlined in the table below. This typically includes an implementation period before go-live (waived), in addition to the 12 month duration of the subscription after go-live.

Integration to the flight schedule feed is included in the offer.

Service	Cost
~~Implementation~~	~~$50,000 (one-time)~~ *Waived*
Subscription - 12 months* *Minimum required time horizon to ensure there is ample time to optimize the concept of operations and effectively engage airlines (both of which are critical to the program's success)*	$300,000 ($25,000/month)
CLEAR-provided Staffing: Rate *Flexible based on hours of operations. Staffing hours and support may be adjusted by MCO based on operational needs with a 4-week notice. Any additional hours will be billed at the discounted rate of $20/hour.*	5am-12pm: Full FTE dedicated to Reserve at each checkpoint at preferred rate of $20/hour 12pm-Close: Split FTE between CLEAR+ and Reserve at discounted rate of $10/hour
CLEAR-provided Staffing: Estimate** **Based on rates outlined above,* *5:00AM-5:00PM daily across 3 checkpoints*	$208,050
12-month Total Cost	$508,050

Upon completion of the initial subscription period, and if MCO decides to continue with the VQRP, we expect it to be a seamless transition as the service will simply continue to be offered. Potential adjustment to the calibration and setup are offered free-of-charge, making it only a matter of signing up for the subscription.

Should MCO decide to continue with the VQRP following the initial subscription period, the subscription fee including a mandatory support fee will remain consistent with the terms outlined above. This cost covers utilization of the VQRP across security screening checkpoints. Future years will carry only the subscription/support fee plus staffing hours requested, adjusted upwards by 5% annually, adjusted with CPI.

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4.   Resources

To successfully complete subscription period, we estimate the following resources will be needed as a core team:

- A project lead to coordinate efforts on the MCO side
- One member of the MCO Ops team
- An IT resource to work on the integration should we make any adjustments moving forward
- A representative from the communications team that can drive the passenger outreach and promotion and work with the airlines on this. The effort typically includes these elements:
  - PR
  - Social media
  - Airline engagement
  - Stakeholder and vendor engagement for creative marketing efforts

We plan to set up a few sub-meeting groups to allow the specialists to focus on their area and ensure we use the time most efficiently. Key stakeholders should participate in the meetings, so as a part of the stakeholder engagement, MCO should aim to identify the main points of contact for TSA and the airlines.

5.   VQRP ConOps

To ensure a well-planned and considered use of VQRP, in particular with respect to potential checkpoint expansion and enabling MCO to balance the load and improve the service offering, we plan to cooperatively define the ConOps for the virtual queuing process. The ConOps provides a framework for the virtual queuing operation and includes:

- **Drivers for VQ** (what benefits you are looking to achieve) – Virtual queuing can deliver several benefits, including a fast-track experience, operational efficiency gains (through peak reduction) and decreased wait times (to increase commercial revenue).
- **Operational setup** – Dedicated lane(s) or mixed with non-virtual queuing passengers across TSA security checkpoints.
- **Slot duration** – Duration of the slots a passenger can sign-up for (potential split between reservations and at airport sign-up).
- **Eligibility** – Are all passengers eligible or only on selected flights? If all passengers are eligible, this can have potential peak increasing effects.
- **Operational Hours** – What should the operational hours for virtual queuing be?
- **Distribution of Areas** – The ConOps should outline which areas can be used for passengers signing up at the airport and waiting virtually prior to entering the queue.
- **Channels for Passenger Sign-up** – The ConOps should address how passengers can sign-up (online/at the airport).
- **FAQ / Exception Handling** – A passenger-facing FAQ as well as an FAQ for staff including descriptions on how to handle the most common exceptions.

The ConOps needs to be a concise and tangible document that outlines the most important objectives and considerations driving the VQRP setup at MCO. Importantly, the ConOps should be seen as a living document, which will likely be adjusted during the subscription period as we gain VQ experience specific to MCO.

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6.   Why should MCO choose this team?

To conclude this subscription proposal, we outline below why MCO should choose CLEAR and Copenhagen Optimization as their preferred partners for the rollout of the VQRP solution.

We believe we have a well-functioning solution that will enhance the passenger and stakeholder experience at MCO. Based on experience at MCO specifically, we have proven to deliver:

- A robust and proven virtual queue and optimization solution
- Unparalleled expertise in queuing optimization and planning
- A collaborative, and ongoing, approach to optimized implementation
- Responsiveness to customer needs

Providing MCO:

- Queue capacity management
- Enhanced traveler satisfaction including additional time for shopping
- The ability to shave peaks
- Increased offerings to airlines and other stakeholders

Ultimately the VQRP combined with our airport expertise will deliver a more secure, streamlined, and seamless experience for the passengers of MCO. We truly look forward to this project and delivering a world-class passenger experience to the MCO passengers.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

"AUTHORITY"

ATTEST:

GREATER ORLANDO AVIATION AUTHORITY

_____
Assistant Secretary
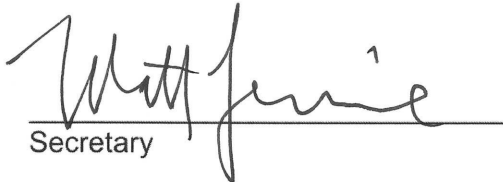
By: _____
    Chief Executive Officer

Date: _____

[Official Seal]

"CONTRACTOR"

ATTEST:

ALCLEAR, LLC

_____
Secretary

By: _____

Its: Co-Founder, President, Chief Financial Officer

Kenneth Cornick
_____
Print or Type Name and Title

Approved as to Form and Legality
this 12 day of January , 20 23
Nelson Mullins Riley & Scarborough, LLP
By _____
    Greater Orlando Aviation Authority