

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

ACTION ITEM

Item No. 5e

Date of Meeting May 14, 2013

DATE: May 7, 2013
TO: Tay Yoshitani, Chief Executive Officer
FROM: Peter Garlock, Chief Information Officer
Kim Albert, Senior Manager ICT Business Services
SUBJECT: Oracle Financial and Human Capital Management Systems

Amount of This Request: \$1,120,000 **Source of Funds:** Operating Budget
Est. State and Local Taxes: \$97,000
Est. Total Project Cost: \$1,120,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to execute annual purchase orders to renew the Port's existing Oracle Financial and Human Capital Management software license and support agreement for the next three years, at a cost not to exceed \$1.12 million.

SYNOPSIS:

Approval of this request will allow the Port to continue receiving technical support and software upgrades for Oracle Financials and Human Capital Management (HCM) Systems used throughout the Port of Seattle Enterprise, through May 31, 2016.

BACKGROUND:

The Port of Seattle began using PeopleSoft as its financial system in 1996 and PeopleSoft HCM to manage its payroll and benefits in 1997. The original contracts included automatic renewal for annual software support. The PeopleSoft Corporation was purchased by Oracle in 2005. The Financial and Human Capital Management systems are critical business applications for the Port. In order to receive continued technical support and upgrades for these systems as they become available, the Port must renew its annual software support agreements.

Oracle software support services include the following:

- Program updates, fixes, security alerts, and critical updates
- Tax, legal, and regulatory updates
- Major upgrades to add functionality
- Technical support 24 hours per day, 7 days a week

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To eliminate repetitive annual Commission actions, we are requesting Commission authorization to pay for annual support over the next three years. We will then make the decision to renew each year.

FINANCIAL IMPLICATIONS:

Total renewal costs (including sales tax) for the three year period are estimated below:

License and Support Costs (2013-2015)

Year	Annual Support Amount	Sales Tax	Total
2013	\$329,000	\$31,000	\$360,000
2014	\$341,000	\$32,000	\$373,000
2015	\$353,000	\$34,000	\$387,000
Total	\$1,023,000	\$97,000	\$1,120,000

Budget Status and Source of Funds:

This is not a request for funding. The 2013 expense is included in the Information and Communication Technology (ICT) annual budget. Future years will also be budgeted in ICT.

OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:

None.

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS:

On May 3, 2011, the Commission authorized the Chief Executive Officer to execute a purchase order for \$339,000 for annual software support for our existing Oracle Financial and Human Capital Management systems and on May 8, 2012, authorized execution of a purchase order for \$349,000.