

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**  
**ACTION ITEM**

**Item No.** 6b  
**Date of Meeting** November 4, 2014

**DATE:** September 24, 2014  
**TO:** Ted J. Fick, Chief Executive Officer  
**FROM:** Peter Garlock, Chief Information Officer  
**SUBJECT:** Microsoft Enterprise Software License Agreement

**Amount of This Request:** \$2,500,000      **Source of Funds:** ICT Operating Budget  
**Est. Total Project Cost:** \$2,500,000  
**Est. State and Local Taxes:** \$215,000      **Est. Jobs Created:** N/A

**ACTION REQUESTED**

Request Commission authorization for the Chief Executive Officer to execute appropriate contract documents for the purpose of renewing the Port's Microsoft Enterprise Software License Agreement through December 31, 2017, at a cost not to exceed \$2.5 million.

**SYNOPSIS**

Approval of this request will allow the Port to continue receiving Microsoft software upgrades, licensing discounts, and maintenance support for Microsoft systems and applications used throughout the Port of Seattle enterprise, through December 31, 2017.

**BACKGROUND**

The Microsoft Enterprise Software License Agreement is a purchasing contract that provides upgrades and maintenance support of Microsoft system and application software used by all Port of Seattle employees. Microsoft's Enterprise Software License Agreement provides the Port of Seattle with discounted pricing on software upgrades, service packs, security updates, Microsoft training, and customer support services. This agreement also enables the Port of Seattle to purchase additional software licenses at discounted prices as needed. Renewal of this agreement will provide continued support of our currently installed Microsoft products for the next three years (2015 - 2017).

**PROJECT JUSTIFICATION AND DETAILS**

N/A

## **COMMISSION AGENDA**

Ted J. Fick, Chief Executive Officer

September 24, 2014

Page 2 of 2

## **FINANCIAL IMPLICATIONS**

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

License Costs (2015-2017)	\$2,285,000
Sales Tax (9.5%)	<u>\$ 215,000</u>
Total Renewal Costs	\$2,500,000

### ***Budget Status and Source of Funds***

This is not a request for funding. The 2015 expense is included in the Information and Communication Technology (ICT) annual budget. Future years will also be budgeted in ICT.

## **STRATEGIES AND OBJECTIVES**

This project supports the Port's 2013 strategy to support the Port of Seattle's mission to implement the Divisions' business plans by providing the necessary tools to efficiently manage operations.

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1)** - Do not renew support. This would mean we would not receive updates and upgrades for Microsoft enterprise software (Windows, Exchange, SharePoint, SQL, etc.). We would not receive assistance with any problems arising in the software. This would mean our version of Microsoft applications would rapidly become outdated, as well as increasing the risk of extended downtime due to software failure. **This is not the recommended alternative.**

**Alternative 2)** - Renew the support agreement to provide for three years of support. The total cost of this option is \$2,500,000. **This is the recommended alternative.**

## **ATTACHMENTS TO THIS REQUEST**

- None

## **PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

- December 13, 2011 – The Commission authorized a three year renewal of the Microsoft Enterprise Agreement for the period (2012-2014) at an estimated cost of \$2.50 million.