

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. _____ 11a

Date of Meeting _____ January 13, 2009

DATE: January 8, 2009

TO: Tay Yoshitani, Chief Executive Officer

FROM: Peter Garlock, Chief Information Officer
Kim Albert, Senior Manager, ICT Business Services

SUBJECT: Request Port Commission authorization for the Chief Executive Officer to execute a three year renewal of our existing Microsoft Enterprise Agreement for software licensing and services.

BACKGROUND

The Microsoft Enterprise 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 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 (2009 - 2011).

Our Microsoft Enterprise Agreement will be purchased through the Washington State Department of Information Services (DIS) Microsoft purchasing agreement. By using this agreement, the Port of Seattle obtains favorable pricing by leveraging the State of Washington's combined purchasing power for such services.

FINANCIAL IMPLICATIONS

Total renewal costs (including sales tax) are estimated to be \$2,045,000 over the following three year schedule:

Year 1 (2009)	\$650,000
Year 2 (2010)	\$680,000
Year 3 (2011)	<u>\$715,000</u>
Total	\$2,045,000

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T. Yoshitani, Chief Executive Officer

January 8, 2009

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SOURCE OF FUNDS

The 2009 expense is included in the Information and Communication Technology (ICT) annual budget. Future years will also be budgeted in ICT.

ALTERNATIVES CONSIDERED/RECOMMENDED ACTION

1. Alternative mechanisms for purchasing Microsoft products were considered, however, the Microsoft Enterprise Agreement purchased through the Washington State DIS purchasing agreement with Microsoft is the lowest cost option.
2. We recommend renewal of our existing Microsoft Enterprise Agreement. This action will ensure that the Port of Seattle remains in full compliance with all Microsoft software licensing requirements, and has up to date security and software support. In addition, this agreement will help ensure the lowest total cost of ownership as new Microsoft products and functionality become available and required by Port of Seattle business units.

REQUESTED ACTION

Request Port Commission authorization for the Chief Executive Officer to execute a three year renewal of our existing Microsoft Enterprise Agreement for software licensing and services.