

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

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

**Item No.:** 5e

**Date of Meeting:** October 5, 2010

**DATE:** September 17, 2010

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Peter Garlock, Chief Information Officer

**SUBJECT:** Windows 7 and Office 2010 Upgrade, CIP #C800395

**Amount of This Request:** \$500,000

**Source of Funds:** 64% Aviation Fund, 36%  
General Fund

**State and Local Taxes Paid:** \$1,000

**Total Project Cost:** \$500,000

**ACTION REQUESTED:**

Request authorization for the Chief Executive Officer (CEO) to approve all work and contracts, including executing and amending any and all necessary contracts and service directives for the Microsoft Windows 7 and Office 2010 upgrade project in an amount not to exceed \$500,000.

**SYNOPSIS:**

Personal computers (PC's) and Microsoft's Office software suite (Outlook, Word, Excel and PowerPoint) are integral to nearly every Port operation and are essential to the overall efficiency and productivity of Port employees. In addition to the personal productivity provided by PC's, they also provide Port employees with access to nearly 200 other systems as well as internet based applications such as SharePoint. Maintaining the security, stability, and compatibility of these devices requires periodic upgrades to keep them current with new versions of operating system software and application software.

**BACKGROUND:**

The Port currently uses Microsoft's Windows XP operating system for all our personal computers, which was released in 2001. With the release of Windows 7 in October 2009, Microsoft ended support for Windows XP in July of this year. Similarly, Microsoft has replaced its Office 2007 software suite with Office 2010, which was released last May. In addition, third party software and hardware vendors have begun to develop Windows 7 based applications and are dropping their support for Windows XP.

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As an example, the International Disk Drive Equipment and Materials Association (IDEMA) has announced that by January 2011 hard drive manufacturers will change the format in which data is stored on hard drives, making new hard drives incompatible with Windows XP

In order maintain PC reliability, compatibility, reduced support logistics, as well as leverage the many new features and functionality of other systems, it is imperative that we upgrade our PC's to Windows 7 and Office 2010. The Port's Enterprise software license agreement with Microsoft allows us to perform the upgrade at no additional cost for the software. The only costs associated with this complex upgrade are the internal staff and contract labor costs to upgrade each user's PC, and the necessary testing of the many interfaces to other legacy systems to ensure there is no interruption to Port operations.

### **PROJECT JUSTIFICATION:**

Upgrading to Windows 7 and Office 2010 will provide:

- Improve security and reliability
- Reduce support costs
- Leverage new features and functionality
- Provide full integration with Sharepoint 2010
- Improve document sharing between Word, Excel and PowerPoint utilizing new co-authoring features
- Improve user interface and provide more consistency among other Microsoft Office applications

### **PROJECT STATEMENT AND OBJECTIVES:**

#### ***Project Statement:***

This project will upgrade approximately 2000 Port personal computers to the Windows 7 Operating System and Microsoft Office 2010.

#### ***Project Objectives:***

- Leverage new features and functionality for Office applications
- Provide new security features (improved Spyware detection and file encryption)
- Provide enhanced battery life for laptops through improved power management options
- Provide more effective backup and restore options
- Obtain faster and more reliable diagnosis and repair of operating system issues

### **PROJECT SCOPE OF WORK AND SCHEDULE:**

#### ***Scope of Work:***

- Upgrade of approximately 2000 Port computers and laptops to the Office 2010 with the Windows 7 Operating System

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- Reorganize the Active Directory structure to follow best practice guidelines as recommended by Microsoft
- Development of a set of standard workstation images that can be easily managed to reduce operational costs
- Provide online and classroom training to acquaint users with new features and changes

### ***Schedule:***

|   |                |
|---|----------------|
| Commission Authorization request              | October 2010   |
| Development and testing of standardized image | December 2010  |
| Implementation Begins                         | January 2011   |
| Project Completion                            | September 2011 |

An important aspect of this project is the timing and coordination with the SharePoint 2010 Records & Document Management system deployment. This will reduce the time required to implement SharePoint 2010, Windows 7, and Office 2010.

### **FINANCIAL IMPLICATIONS:**

#### **Budget/Authorization Summary:**

|  |           |
|--|-----------|
| Original Budget                              | \$400,000 |
| Budget Increase                              | \$100,000 |
| Revised Budget                               | \$500,000 |
|  |           |
| Previous Authorizations this CIP             | \$0       |
| Current request for authorization            | \$500,000 |
| Total Authorizations, including this request | \$500,000 |
| Remaining budget to be authorized            | \$0       |

#### **Project Cost Breakdown:**

|                                       |           |
|---------------------------------------|-----------|
| Port of Seattle Labor and Contractors | \$304,000 |
| Vendor Implementation                 | \$110,000 |
| Hardware                              | \$6,000   |
| Contingency 20%                       | \$84,000  |
| Tax 9.5%                              | \$1,000   |
| Total                                 | \$500,000 |

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

This project was included in the 2010 capital budget and plan of finance within CIP# C800395, Windows OS 7 Upgrade as a \$400,000 project. Upon authorization, \$100,000 will be transferred from CIP# C800393 NetRMS Replacement to CIP# C800395 in order to accommodate the added scope of the Office 2010 Upgrade. The source of funds is 64% Airport Development Fund and 36% General Fund.

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### **Financial Analysis and Summary:**

|                                |   |
|--------------------------------|---|
| CIP Category                   | Renewal/Enhancement                     |
| Project Type                   | Technology                              |
| Risk adjusted Discount rate    | 7.0%                                    |
| Key risk factors               | NA                                      |
| Project cost for analysis      | \$500,000                               |
| Business Unit (BU)             | Information & Communications Technology |
| Effect on business performance | NA                                      |
| IRR/NPV                        | NA                                      |
| CPE Impact                     | NA                                      |

### **Lifecycle Cost and Savings:**

This project is required to keep Port of Seattle personal computer assets current with new operating system and application software. There are no significant savings from the completion of this project.

### **ECONOMIC IMPACTS AND BUSINESS PLAN OBJECTIVES:**

Proceeding with this project ensures that Port computers continue to operate reliably and efficiently.

### **STRATEGIC OBJECTIVES:**

This project supports the following Port strategies:

- **Be a high performance organization:** The upgrade provides increased efficiency and ensures a stable operating environment consistent with Microsoft software upgrades.
- **Exhibit environmental stewardship through our actions:** The upgrade reduces greenhouse emissions by use of improved sleep and hibernation modes and extended laptop battery life

### **ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS:**

1. *Upgrade to Windows 7 and Office 2010:* Upgrade all of the Port's computers to Windows 7, and Office 2010. This is the recommended alternative.
2. *Continue Using Microsoft XP:* Microsoft's XP operating system is no longer supported by Microsoft and third party hardware and software vendors. This is not the recommended solution.

### **OTHER DOCUMENTS ASSOCIATED WITH THIS REQUEST:**

No other documents are associated with this request.

### **PREVIOUS COMMISSION ACTION OR BRIEFING:**

No previous commission action of briefing.