

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No.	5b
Date of Meeting	April 6, 2010

DATE: March 19, 2010

TO: Tay Yoshitani, Chief Executive Officer

FROM: Kim Albert, Senior Manager ICT Business Services

SUBJECT: Annual software support for Oracle Financial and Human Capital Management systems.

REQUESTED AMOUNT: \$326,000 **SOURCE OF FUNDS: ICT Expense Budget, 100% General Fund**

SALES TAX: \$28,000

ACTION REQUESTED:

Request Port Commission authorization for the Chief Executive Officer to execute a purchase order for \$326,000 for annual software support for our existing Oracle Financial and Human Capital Management systems.

SYNOPSIS:

Our Financials and Human Capital Management (HCM) Systems are crucial for conducting Port business. The annual support agreement with Oracle is required to obtain continued support of our currently installed Oracle Financial and HCM systems. The Oracle support is already included in the ICT expense budget which is 100% General Fund.

BACKGROUND:

The Port of Seattle began using PeopleSoft as our financials system in 1996 and PeopleSoft HCM in 1997. The original contracts include automatic renewal for annual software support. The PeopleSoft Corporation was purchased by Oracle in 2005.

In order to receive technical support, and upgrades for these systems as they become available, the Port is electing not to cancel our annual software support agreements. The 2010 estimated annual cost for each system (including tax) is:

- HCM system (used to manage payroll and benefits) - \$148,000
- Financial system - \$178,000

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T. Yoshitani, Chief Executive Officer

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Oracle software support services include:

- Program updates, fixes, security alerts, and critical patch updates
- Tax, legal, and regulatory updates
- Major Upgrades
- Technical support 24 hours per day, 7 days a week

STRATEGIC OBJECTIVES:

This request supports the following Port strategies:

- *Ensure Airport and Seaport Vitality:* This contract will allow us to continue using key systems that are crucial to our business.

FINANCIAL IMPLICATIONS:

Budget/Authorization Summary:

Original Budget	\$326,000
Budget Transfers	\$0
Revised Budget	\$0
Previous Authorizations	\$0
Current request for authorization	\$326,000
Total Authorizations, including this request	\$326,000
Remaining budget to be authorized	\$0

Source of Funds:

The Oracle support is already included in the ICT expense budget which is 100% General Fund.

PREVIOUS COMMISSION ACTION:

There has been no previous Commission action related to the software support.