

PORT OF SEATTLE
MEMORANDUM

COMMISSION AGENDA

Item No. 5f

Date of Meeting December 13, 2011

DATE: December 5, 2011
TO: Tay Yoshitani, Chief Executive Officer
FROM: Peter Garlock, Chief Information Officer
SUBJECT: Microsoft Enterprise Software License Agreement

Three-Year Amount: \$2.5 million **Source of Funds:** ICT expense budgets

Amount This Request: \$2.5 million **State and Local Taxes:** \$210,000

ACTION REQUESTED:

Request Commission authorization for the Chief Executive Officer to execute appropriate contract documents to renew our existing Microsoft enterprise software license agreement for another three years, through December 31, 2014, 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, 2014. The Port will use the Washington State Department of Enterprise Services Microsoft purchasing agreement to obtain more favorable pricing than otherwise would be available.

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 (2012 - 2014).

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Our Microsoft enterprise software license agreement will be purchased through the Washington State Department of Enterprise Services (formerly the 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) for the three year period are estimated below:

License Costs (2012-2014)	\$2,290,000
Sales Tax (9.5%)	<u>\$ 210,000</u>
Total Renewal Costs	\$2,500,000

SOURCE OF FUNDS:

This is not a request for funding. The 2012 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 January 6, 2009, the Commission authorized a three-year renewal of the Microsoft enterprise agreement for the period 2009-2011 at an estimated cost of \$2.045 million.