COMMISSION
AGENDA MEMORANDUM Item No. 8c
ACTION ITEM Date of Meeting September 13, 2022

DATE: September 2, 2022
TO: Stephen P. Metruck, Executive Director
FROM: Krista Sadler, Director Technology Delivery
SUBJECT: Enterprise Network Switch Refresh (C801262)
Amount of this request: $5,700,000
Total requested project cost: $5,700,000

ACTION REQUESTED
Request Commission authorization for the Executive Director to 1) proceed with the Enterprise
Network Switch Refresh project and 2) execute contract(s) for hardware, software, and
implementation services for a total project cost not to exceed $5,700,000.

EXECUTIVE SUMMARY
This project will refresh aging Enterprise network switch equipment, comprised of approximately
330 devices across 20 Port locations and upgrade network management software to replace a
version that will soon be discontinued. Network equipment was last updated in 2014 and is at
end-of-life.

The Port of Seattle Enterprise network provides the backbone for all Port-wide data transmission
including email, phone, internet connections, system backups, and hundreds of systems critical
to the business of the Port including PeopleSoft Financials and Human Capital Management,
emergency response systems, and Aviation and Maritime Maintenance Systems.

To continue to provide continuous system availability, plan for increased capacity, and ensure
resiliency through critical security patching, the equipment and software upgrade must be
completed.

This planned project is part of the 2022-2026 plan of finance as a $2,000,000 CIP. After research
during business case development, the project was expanded to include additional end-of-life
equipment. This, plus the increased cost of the equipment due to inflation, increased the
estimated project cost to $5,700,000. The increased capital cost will be budgeted starting in 2023.

This project will be completed by Information and Communication Technology (ICT) and a
Network Technology Services contract will be used for design and implementation assistance.

Template revised January 10, 2019.

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JUSTIFICATION
Since the last equipment refresh in 2014, technology requirements at the Port have changed
dramatically. Data transmission needs have grown from new systems and an increasing reliance
on the fast transmission of large amounts of information. Currently, more data is being saved,
sent, and backed-up than ever before and new equipment will expand capacity for future growth.
In addition, equipment and software that are out-of-date are vulnerable to security issues and
often limit future technology endeavors. A network with current components is critical to
maintain availability and resiliency of technology critical for Port operations.

Diversity in Contracting
Project staff will work with the Diversity in Contracting Department to determine if a direct
women-and-minority-owned business enterprise (WMBE) aspirational goal should be assigned.

DETAILS
Scope of Work
(1) Complete design of network to take advantage of new features and improved
capabilities.
(2) Procure and replace network equipment.
(3) Implement new network management software.

Schedule
Procurement will be completed in phases to ensure equipment procured is latest technology
according to the installation schedule.
Commission authorization 2022 Quarter 3
Design start 2023 Quarter 1
Replacement starts 2023 Quarter 3

Project complete 2025 Quarter 3

Cost Breakdown This Request Total Project
Network Equipment and Software $5,000,000 $5,000,000
Vendor Services $200,000 $200,000
Port of Seattle Labor $500,000 $500,000
Total $5,700,000 $5,700,000

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ALTERNATIVES AND IMPLICATIONS CONSIDERED
Alternative 1 – Delay the equipment and software replacement
Cost Implications: $0 Capital Costs.
Pros:
(1) Capital funds and Port resources are available for other efforts.
Cons:
(1) Service interruptions from failing equipment may include significant interruption to Port
operations.
(2) Increased risk from delayed vendor-provided security patches and remediations.
(3) Increased maintenance costs to replace failing equipment.
This is not the recommended alternative.
Alternative 2 – Refresh network equipment and software past end-of-life
Cost Implications: $5,700,000
Pros:
(1) Systems, communications, and data backups on the Enterprise network will be less
vulnerable to failure due to equipment outages.
(2) Updated equipment and software will receive security patches and remediations.
(3) Network equipment technology will adhere to latest security protocols to improve our
security monitoring capabilities.
(4) Increase capacity will support the growth of data transmissions and systems.
Cons:
(1) Capital funds and Port resources are not available for other efforts.
This is the recommended alternative.
FINANCIAL IMPLICATIONS
Cost Estimate/Authorization Summary Capital Expense Total
COST ESTIMATE
Original estimate $2,000,000 $0 $2,000,000
Current change $3,700,000 $0 $3,700,000
Revised estimate $5,700,000 $0 $5,700,000
AUTHORIZATION
Previous authorizations $0 $0 $0

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Current request for authorization $5,700,000 $0 $5,700,000
Total authorizations, including this request $5,700,000 $0 $5,700,000
Remaining amount to be authorized $0 $0 $0
Annual Budget Status and Source of Funds
This project was included in the 2022-2026 capital budget and plan of finance for $2,000,000.
After research during business case development, the project was expanded to include additional
end-of-life equipment. This, plus the increased cost of the equipment due to inflation, increased
the estimated project cost to $5,700,000. The increased capital cost will be budgeted starting in
2023. The project will be funded with 82.1% Airport Development Fund and $17.9% General
Fund.
Financial Analysis and Summary
Project cost for analysis $5,700,000

Business Unit (BU) Administrative for Aviation's portion.
Effect on business performance NOI after depreciation will increase due to inclusion of
(NOI after depreciation) capital (and operating) costs in airline rate base
IRR/NPV (if relevant) N/A
CPE Impact $.02 in 2026
Future Revenues and Expenses (Total cost of ownership)
We are not expecting significant change in recurring maintenance and licensing costs as a result
of this project.
ATTACHMENTS TO THIS REQUEST
None
PREVIOUS COMMISSION ACTIONS OR BRIEFINGS
None

Template revised June 27, 2019 (Diversity in Contracting).