

# ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6F  
Meeting Date: 6/16/26

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**DATE:** 6/8/2026

**TO:** Port of Tacoma Commission

**FROM:** Eric Johnson, Executive Director

Sponsors: Martyn Adamson, Chief Information Officer; Matt Andrew, Director, Enterprise Applications

Project Managers: Mark Moore, Sr. Manager, IT Project Management; Kevin Carpenter, Sr. IT Project Manager

**SUBJECT:** Microsoft D365 Contract Amendment Authorizations

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**A. ACTIONS REQUESTED**

- Contract Amendment Authorization to add \$120,000 plus Washington State sales tax to the D365 Real Estate contract PA000000358 with Crowe, LLP to support the planned Real Estate system enhancements project.
- Contract Amendment Authorization to add \$400,000 plus Washington State sales tax to the D365 Finance and Procurement contract 071709 with Crowe, LLP to enable continued finance system improvements through the end of the contract.

Both authorizations are covered by existing Capital Improvement Plan (CIP) budget items and support Port Strategic Plan Initiatives: EV-1, OS-1, and OS-2.

**B. BACKGROUND**

The Port of Tacoma has implemented Microsoft Dynamics 365 Finance & Operations (D365) as its enterprise resource planning (ERP) system to modernize and consolidate financial, procurement, and operational systems into an integrated platform. The D365 ERP strategy replaces multiple legacy systems and supports improved compliance, reporting, and long-term system sustainability.

Crowe, LLP was selected through a competitive procurement process as the Port's implementation partner for the original D365 Finance & Operations platform implementation. Contracts for new IT systems typically establish an implementation and go-live foundation and are then amended over time to support planned enhancements and ongoing support. For that reason, the Commission is being asked to authorize additional contract capacity under the two existing Crowe agreements, consistent with how enterprise technology systems are delivered and improved over their lifecycle. We plan to conduct a new competitive RFP in Q1 2027 to select a support vendor for future D365 work.

The D365 platform is intentionally designed to support phased enhancements and functional expansion over time, allowing the Port to continue improving business value while leveraging its existing technology investment.

**Key Commission actions and milestones for the D365 enterprise system**

When	Milestone
2022–2023	<b>Commission briefings on ERP Strategy and partner selection</b> Completed competitive RFP and selected Crowe, LLP as implementation partner
Sep 2023	<b>Finance &amp; Procurement system authorized (\$2.45M)</b>
Aug 2024	<b>D365 Finance &amp; Procurement system live</b> — on time and on budget
Sep 2024	<b>D365 Finance &amp; Procurement <i>Enhancements</i> project authorized (\$1M)</b> Commission authorized expanded Crowe contract to support the Enhancements project and assess D365 ERP expansion opportunities
Aug 2025	<b>Real Estate system project authorized (\$585K)</b> Commission authorized new contract with Crowe, LLP for D365 Real Estate System
Apr 2026	<b>Real Estate system live on the D365 platform</b> — on time and ~\$60K under budget

C. **D365 REAL ESTATE MANAGEMENT SYSTEM**

The D365 Real Estate Management System went live in April 2026 as planned and is projected to complete approximately \$60,000 under the original \$585,000 Commission project authorization.

The Port of Tacoma and NWSA Real Estate teams have successfully completed their first two months of tenant billing on time using the new system without significant issues. Real Estate lease management operations are now fully integrated with the Port’s D365 platform.

Key benefits include:

- Built-in compliance with GASB 87 lease accounting standards – significantly reducing effort required by Accounting department staff to produce required reporting
- Improved integration with the Port’s Geographic Information System (GIS) – making it easier for all Port and NWSA staff to find key information about leases and tenants
- Increased efficiency for Real Estate teams through standardized workflows, automated reporting and notifications

**Real Estate Enhancements Project**

System enhancements are a standard and planned phase following a major system implementation. The Port included funding for Real Estate enhancements in the 2026–2027 Capital Improvement Plan.

The requested \$120,000 additional contract authorization will fund planned Real Estate system enhancements by Crowe through early 2027. Enhancements will focus on refining system functionality, addressing operational improvement opportunities, and expanding integrations with GIS to maximize business value from the D365 Real Estate Management System.

<b>Crowe Real Estate System Contract PA00000358</b>	
Original Contract Authorization	\$548,000
<b>Additional Contract Authorization Requested</b>	<b>\$120,000</b>
New Contract Authorization Total	\$668,000

**Financial Impacts:** Project costs will be expensed as incurred.

D. **D365 FINANCE AND PROCUREMENT SYSTEM**

The D365 Finance and Procurement system has now completed a follow-on Enhancements project, and we are transitioning into a continuous improvement phase to further increase business value and operational efficiency.

Key focus areas include:

- Streamlining purchasing and procurement processes, reducing manual effort from requisition through payment
- Improving data quality and financial reporting to support capital project tracking and informed decision-making
- Expanding ERP functionality, including fund tracking, grants management, and procurement automation

The requested \$400,000 additional contract authorization will fund continued improvements through March 2027 and is fully covered by existing 2026 and 2027 CIP budgets.

<b>Crowe Finance &amp; Procurement Contract 071709</b>	
Original Authorization for Design	\$400,000
Amendment for Implementation	\$1,650,000
Amendment for Enhancements and Assessments	\$1,200,000
<b>Additional Contract Authorization Requested</b>	<b>\$400,000</b>
New Contract Authorization Total	\$3,650,000

E. **CLOSING**

Approving these contract amendments with our existing D365 support vendor will enable the Port to continue building on its D365 investment through targeted improvements and support. These efforts are funded within existing CIP budgets and will strengthen financial and real estate operations while advancing the Port's Strategic Plan Initiatives.