

ACTION ITEM MEMO

Port of Tacoma Commission



Item No: 6A
Meeting Date: 9/17/24

DATE: September 9, 2024

TO: Port of Tacoma Commission

FROM: Eric Johnson, Executive Director
Sponsor: Erin Galeno, Chief Financial and Administrative Officer
Sponsor: Mark Miller, Senior Director, Information Technology
Manager: Martyn Adamson, Senior Manager, Enterprise Applications

SUBJECT: Dynamics 365 Update, 3-Year Roadmap, & 2025 Investment Approval

A. ACTION REQUESTED

- Request Commission Project Authorization to undertake Dynamics 365 Enhancements not to exceed \$1,000,000.
- Request Commission Authorization to execute amendment to Personal Services Agreement 071709 with Crowe LLP to add \$1,200,000 to perform the Dynamics 365 Enhancements Project and Dynamics 365 System Migration Assessments.
- Request Commission Authorization to execute amendment to Personal Services Agreement 071658 with JFC & Associates to add \$450,000 to perform the Dynamics 365 Enhancements Project, Dynamics 365 System Migration Assessments, and Maximo related projects.

Strategic Plan Initiative: OS-2.

B. BACKGROUND

- In the June 16, 2022, Commission Meeting, Commissioners were briefed on the Port Enterprise Application Strategy and Planned Enterprise Resource Planning (ERP) Application Implementation.
- In the January 17, 2023, Commission Meeting, Commissioners were briefed on the Port's enterprise application history and strategy, reviewed ERP software platforms and the progress of the Port's ERP implementation project planning and estimated \$2.0-\$3.0 million project cost.
- In the March 21, 2023, Commission Meeting, Commissioners authorized Port staff to execute a contract with Crowe LLP, the Microsoft Dynamics 365 implementation partner selected via RFP, to undertake the NextGen Finance and Procurement Planning and Design Project at a cost not to exceed \$400,000.

- In the September 7, 2023, Commission Meeting, Commissioners authorized Port staff to undertake NextGen project implementation with costs not to exceed \$2,450,000 which resulted in a total project cost of \$2,850,000. This project has now been successfully completed.

C. PROJECT DETAILS:

- The Dynamics 365 Enhancements Project will prioritize, design, develop and implement enhancements to Microsoft Dynamics 365 and other integrated Port software applications based on business process improvement opportunities.
- System enhancements are a routine part of the ongoing management of ERP software platforms. Enhancements include activation of additional features and improvements to business processes.
- Enhancements include Grant Management, the Capital Improvement Plan (CIP) Management, Debt Management, Funds Management, and Procurement Solicitations.
- The prioritization of enhancements will be governed by the Port's Dynamics 365 Steering Committee.
- Multiple vendors will provide services under existing Personal Services Agreements. Commission Authorization is being sought to amend these agreements to undertake this work.

D. TIMEFRAME/PROJECT SCHEDULE

Project Initiation	9/23/2024
Project Completion (est.)	9/30/2025

E. FINANCIAL SUMMARY

Cost

Dynamics 365 Enhancements are not to exceed \$1,000,000.

Source of Funds

This project will be funded through cash generated by operating income and costs will be expensed as incurred.

The 2024 and 2025 Capital Investment Plan (CIP) allocates \$1,000,000 for this project.

F. ALTERNATIVE ANALYSIS

An RFP was advertised for Microsoft Dynamics 365 implementation and support services in October 2022, and we received multiple vendor submissions. Crowe, LLC was selected following two finalist interviews.

An RFP was advertised for Maximo support services in February 2022, and we received multiple vendor submissions. JFC & Associates was selected following four finalist interviews.

G. NEXT STEPS

Execute amendment to Personal Services Agreement 071709 with Crowe LLP to add \$1,200,000 to perform the Dynamics 365 Enhancements Project and Dynamics 365 System Migration Assessments.

Execute amendment to Personal Services Agreement 071658 with JFC & Associates to add \$450,000 to perform the Dynamics 365 Enhancements Project, Dynamics 365 System Migration Assessments, and Maximo related projects.