

PORT OF TACOMA COMMISSION
ACTION ITEM MEMO



Item No: 6D
Meeting Date: 3/21/2023

DATE: 3/6/2023
TO: Port of Tacoma Commission
FROM: Eric Johnson – Executive Director
Sponsor: Mark Miller – Director, Information Technology
SUBJECT: Microsoft Dynamics 365 Planning and Design Project Approval

A. ACTION REQUESTED

Request Commission approval to authorize the Executive Director to execute a Statement of Work with Crowe LLP for Microsoft Dynamics 365 Enterprise Resource Planning (ERP) Planning and Design Project services up to \$400,000 for 2023.

B. SYNOPSIS

The Master Policy Resolution stipulates that any vendor contract which exceeds \$300,000 must be approved by the Commission. The Master Policy Resolution does not exempt personal services contracts.

The Port has completed a competitive procurement process for Microsoft Dynamics 365 planning and design project services. The two finalists were industry-leading Accounting and IT Service firms: Crowe LLP and RSM US LLP. Crowe was unanimously selected by the five person staff management evaluation team.

C. BACKGROUND

The Port of Tacoma has heavily invested in Microsoft technologies for over 15 years. Microsoft is the most strategic IT supplier to the Port of Tacoma. Microsoft software and services are industry leading and cost effective for the Port due to the State of Washington Department of Enterprise Services NASPO ValuePoint Software VAR Contract#: 05116.

The Port implemented Microsoft Dynamics GP in 2008 as a new financial accounting system. Microsoft Dynamics GP has now become outdated, and Microsoft is limiting support. Dynamics 365 is the next generation Microsoft ERP platform. The Port of Tacoma and NWSA Executive IT Steering Committee believes it is responsible to proactively migrate to Dynamics 365.

The Commission was provided a briefing on the Port Enterprise Application Strategy and planned Microsoft Dynamics 365 Enterprise Resource Planning (ERP) application implementation on June 16, 2022. The Commission was provided a second briefing on

ERP platforms and the progress of the Port's ERP Project competitive procurement process on January 17, 2023.

D. FINANCIAL IMPACT

The project costs were included in the 2023 CIP budget. This request is to authorize the project planning and design services up to \$400,000. The estimated cost for the development and implementation phase is \$2,000,000.

E. NEXT STEPS

Once Approved, IT will collaborate with Contracts & Purchasing to execute contracts.

The Project Leaders will seek Commission approval for the Financial Systems Replacement Implementation Project in August or September of 2023. The estimated cost for the development and implementation phase is \$2.0 Million.