



**COMMISSION
AGENDA MEMORANDUM**

Item No. 6c

ACTION ITEM

Date of Meeting May 14, 2019

DATE: April 8, 2019
TO: Stephen P. Metruck, Executive Director
FROM: Stuart Mathews, Director Aviation Maintenance
Skip Himes, Director Marine Maintenance
SUBJECT: Maximo Software Upgrade (CIP #C801078)

Amount of this request: \$500,000
Total estimated project cost: \$500,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to (1) proceed with a Maximo Enterprise Asset Management upgrade project and (2) procure required hardware, software, and vendor services for a total project cost not to exceed \$500,000.

EXECUTIVE SUMMARY

Maximo Enterprise Asset Management (EAM) is a key system used by Aviation Maintenance (AVM) and Marine Maintenance (MM) to manage critical business functions such as Asset and Inventory Management, Incident and Work Order Management, Service Request Management, Labor Tracking, and Procurement. This project, to upgrade the Maximo software to the latest version, will provide important security and feature enhancements to ensure high availability and increased functionality from a maintenance management information system that is critical to many operations across the Port.

Information and Communication Technologies (ICT), AVM, and MM resources will be used to complete the project. Resources from an existing indefinite delivery, indefinite quantity (IDIQ) contract, procured in 2017, will be engaged to assist with the upgrade. Total project costs are estimated to be \$500,000. This project was included in the 2019 – 2023 capital budget and plan of finance. Recurring software license and maintenance costs are budgeted within the ICT Department operating budget and are not expected to change as a result of this project.

JUSTIFICATION

This project includes several important benefits:

- (1) The upgrade of the Maximo system will help ensure the availability, reliability, and security of a system critical to Port operations. In 2018, 144,000 work orders were

Meeting Date: May 14, 2019

created, 36,000 assets were managed, and 45,000 inventory items were maintained by 600 system users in Aviation and Seaport organizations.

- (2) Roughly 30 security defects, of medium to high risk, will be resolved by upgrading the software.
- (3) An upgrade will provide productivity enhancing features to reduce manual data entry and create new work centers for actionable key performance indicators.

DETAILS

Scope of Work

- (1) Upgrade of the IBM Maximo system to the latest version.
- (2) Upgrade of the server and database infrastructure nearing end of life.

Schedule

Commission Authorization	2019 Quarter 2
Initial Upgrade Complete	2020 Quarter 1
Post Go-Live Enhancements Complete	2020 Quarter 3

Cost Breakdown

	This Request	Total Project
Vendor Services	\$260,000	\$260,000
Port of Seattle Labor	\$240,000	\$240,000
Total	\$500,000	\$500,000

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Delay the Maximo EAM system upgrade project.

Cost Implications: \$0

Pros:

- (1) Capital funds are available for other projects.

Cons:

- (1) Doesn't resolve the 30 security defects provided in the upgrade package.
- (2) Delays Aviation and Marine Maintenance staff's ability to take advantage of productivity improving new tools and features.

This is not the recommended alternative.

Meeting Date: May 14, 2019

Alternative 2 – Procure, configure and implement a replacement solution for Maximo EAM.

Cost Implications: \$2,000,000 or more.

Pros:

- (1) Long-term total cost of ownership may be less than our current solution if a lower-cost system can be found.

Cons:

- (1) Alternative solutions don’t provide the same level of functionality and configurability. Maximo is the leader in the EAM industry. Gartner, a technology industry analysis firm, has placed Maximo as the leader in their magic quadrant.
- (2) A project to replace Maximo would be greatly disruptive to the hundreds of Port staff users who would need to learn a new software system.
- (3) Replacing Maximo EAM would likely take at least two years to complete.

This is not the recommended alternative.

Alternative 3 – Upgrade Maximo Enterprise Asset Management (EAM) software to most recent version.

Cost Implications: \$500,000

Pros:

- (1) Resolves over 30 security defects in Maximo EAM.
- (2) Upgraded Maximo EAM solution provides valuable improvements to the Port’s maintenance departments to improve productivity, eliminate rework and deliver informative and action-based work centers to users.

Cons:

- (1) Capital funds are not available for other projects.

This is the recommended alternative.

FINANCIAL IMPLICATIONS

Cost Estimate/Authorization Summary

	Capital	Expense	Total
COST ESTIMATE			
Original estimate	\$500,000	\$0	\$500,000
AUTHORIZATION			
Previous authorizations	\$0	\$0	\$0
Current request for authorization	\$500,000	\$0	\$500,000
Total authorizations, including this request	\$500,000	\$0	\$500,000
Remaining amount to be authorized	\$0	\$0	\$0

Meeting Date: May 14, 2019

Annual Budget Status and Source of Funds

This project was included in the 2019-2023 capital budget and plan of finance under committed CIP #C801078 in the amount of \$500,000.

Financial Analysis and Summary

Project cost for analysis	\$500,000
Business Unit (BU)	Corporate
Effect on business performance (NOI after depreciation)	NA
IRR/NPV (if relevant)	NA
CPE Impact	NA

Future Revenues and Expenses (Total cost of ownership)

Software license and maintenance fees are currently budgeted in the ICT operating budget. Total costs to maintain the system including estimated license and maintenance fees, as well as Port recurring labor costs are not expected to change with this project.

ATTACHMENTS TO THIS REQUEST

- None

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

- No previous Commission actions or briefings on this project.