

COVER MEMO

Briefing Date/Time: July 14, 2025

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Subject: Financial Accounting System Upgrade

Purpose: ☐ Information Only ☒ Decision Needed

Overview:

The Port's current Electronic Resource Planning (ERP) software for business management (Microsoft Dynamics SL, 2018 version) end of life is July 2028. Microsoft ceased providing year-end updates in January 2024, necessitating the issuing of a competitive procurement for a replacement system.

The Port issued the Request for Proposal (RFP) on May 1, 2025 for a new business management platform and selected the winning proposal from the twelve that were submitted on June 20, 2025. We are seeking Commission approval to move forward with issuing a contract with Advaiya for implementation of the new system and the follow-on licensing and service agreements to support the system.

- Type of agenda item: Advisory (July 14, 2025) leading to Consent (July 28, 2025)
- Action requested
- Approval that will be requested at future meeting: Consent

Background:

The requirements within the RFP were built from the following inputs:

- Finance staff identified gaps in service with the current Dynamics SL software and identified the need to decrease the level of manual data input or transfer between disparate Port systems;
- Recommendations for software needs from the 2025 Finance and Accounting Assessment report;
- Alignment with Vision 2050

- Port of Olympia Commissioner requests for better, and more timely, financial report; and
- Port managers' desires for direct access to Dynamics to pull their own reporting and to access financial data in real time.

The RFP was specific to Microsoft Dynamics 365, but left the platform type up to the vendor to propose. The Port received twelve proposals recommending either the Business Central or the Finance and Operations platforms of Dynamics.

The RFP scope included: migrating historical data from the Port's Dynamics SL server to the Dynamics 365 cloud; onboarding of Dynamics 365; integrating existing Laserfiche, Manager+ and Molo systems into Dynamics 365; include an HR, payroll, asset management, property management, accounting, electronic payments, financial reporting, analytics, general ledger budgets, banks accounts, purchasing, accounts payable and accounts receivable functionality; and, create workflows for a minimum of journal entry approvals, HR to payroll, payroll and fixed asset to Manager+.

Documents Attached:

PowerPoint presentation

RFP 2025-1022-Dynamics 365

2-2025-1022 Dynamics 365-RPF_1 Advaiya proposal

Summary & Financial Impact:

Advaiya's proposal was the highest scoring submittal and provided the best responses during oral interviews. Its implementation, licensing and service level agreement (SLA) costs were at the lower end of all the proposals scored.

Implementation time will be approximately 48 weeks, with a one-time cost of \$132,500 and ongoing annual costs of \$32,316 for licensing and \$12,500 for the SLA.

The current Dynamics SL software was purchased in 1998 for \$216,086 and was upgraded later to versions 2008, 2011, 2015 and 2018. There is also an ongoing server hardware and maintenance costs as this is an in-house system. The annual

licensing and SLA costs for the current system are approximately \$8,000. The Dynamics 365 Business Central system will instead be cloud based.

While reviewing the proposals, the evaluation team determined that we would not need the HR and payroll modules built out due to a separate project to migrate our payroll system to ADP Comprehensive Pay, which includes an HR function. ADP is a common payroll system that is easily integrated into Dynamics 365. Additionally, it is highly likely that the Dynamics 365 implementation will be able to mimic the functionality of Manager+, allowing the Port to retire that system and save the cost of licensing for that system (~\$9,000 annually).

Staff Recommendation:

The proposals the Port received had cost estimates that ranged from \$132k to \$2.1M for implementation and \$24k to \$440k for annual licensing and service. Advaiya presented a proposal that addressed all the RFP requirements at the lowest one-time and one of the lowest annual costs. It is the staff's recommendation that the Commission approve the issuing of the contract for migrating to Dynamics 365 to Advaiya, and we will be bringing this back to the Commission July 28th for approval.

Next Steps/Timeframe:

July 14, 2025 Advisory brief to Commission

July 28, 2025 Commission votes on approval