



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-3

August 18, 1998

To: Board of Directors (Budget and Finance Committee--Action)
(Engineering and Operations Committee--Action)
(Information Systems Ad Hoc Committee--Information)

From: *for* General Manager

Submitted by: David C. Edwards
for Director, Information Technology

Edward & Meier III
R. Sommerville

Subject: Appropriate \$1,310,000 and Award a Consulting Contract to Design and Implement an Electronic Messaging System

Reference: Appropriation No. 15340

RECOMMENDATION(S)

To replace the existing electronic messaging system, it is recommended that the Board:

- Appropriate \$1,310,000 from the Pay-As-You-Go Fund to finance all estimated costs for design, purchase of materials, and replacement of the current electronic messaging infrastructure.
- Authorize the General Manager to award a contract in the maximum amount of \$700,000 (including state sales tax) to Compaq Computer Corporation, for designing and implementing an electronic messaging system.

EXECUTIVE SUMMARY

This appropriation is required for replacement of the existing electronic messaging infrastructure. Metropolitan has selected Microsoft's messaging product, Exchange with Outlook 98, as the replacement system.

This capital appropriation is required on an urgent basis and was not budgeted for this fiscal year. The current system, onGO Office from Uniplex, Inc., is unstable and currently unsupported by the vendor. Uniplex has given no satisfactory resolution and no assurances of its ability to provide a stable product. Uniplex has stated their current business strategy is to discontinue development of the product suite.

Rapid deployment of the new mainstream product will provide full-featured electronic mail and calendaring, and will enable Metropolitan to move forward with related, strategic application deployment.

JUSTIFICATION

Metropolitan is faced with numerous risks and problems associated with its current messaging and calendaring product, onGo Office. The product is unstable, no longer supported by the vendor, due to be discontinued, not Year 2000 compliant, and not well integrated with other Metropolitan applications.

A reliable, cost-effective replacement is required to rectify these issues and provide long-term benefits to Metropolitan.

ALTERNATIVE(S) TO PROPOSED ACTION

Maintain the current system

Due to the issues outlined in the previous section, this is not considered a viable alternative.

Install another electronic messaging system

Other leading messaging products have been analyzed. However, the proposed solution has been found to best meet Metropolitan's requirements for a standard, mainstream product with lower total cost of ownership, long-term viability, integration with the current architecture, functionality, and cost effectiveness.

FUNDING REQUEST

Program Name: Electronic Messaging and Calendar Replacement			
Source of Funds: Pay-As-You-Go-Fund			
Appropriation No.: 15340	Board Action No.: 1	FY 98/99 Budget: No	
Requested Amount:	1,310,000	Capital Program No.:	15340-E
Total Appropriated Amount:	1,310,000	Capital Program Page No.:	NA
Total Program Estimate:	1,310,000	Program Category:	Efficiency/ Productivity

ACTIONS AND MILESTONES

- Complete design and planning—October, 1998
- Complete testing and configuration—December, 1998
- Complete implementation and migration—March, 1999

CONTRACT SUMMARY

Contract Status:	New	Type of Selection:	Competitive Proposals RFP 344
Contract Form:	Professional Services	Firms Requesting RFP:	6
Contract Type:	Time and Materials	Proposals Submitted:	4
Evaluation Criteria:	Evaluations based on organizational qualifications, migration expertise, availability of resources, and cost-effectiveness.		

MBE / WBE

Anticipated levels of participation for minority business enterprise (MBE) and women business enterprise (WBE) have not been established for this project.

DETAILED REPORT

In August 1996, the Board approved a capital appropriation, No. 782, to implement an electronic messaging infrastructure. In October 1996, the onGO Office system was purchased from Uniplex, Inc., which was the successful respondent in a competitive bid process. The onGO product suite was installed in December 1996 and implementation began in February 1997.

Initial problems with the software were discovered and reported to Uniplex early during the implementation. Performance and stability deteriorated as the system load increased. By the fourth quarter of 1997, Uniplex had failed to keep its commitments to deliver a fully functioning product. Metropolitan refused to pay the annual maintenance fee in early 1998. Uniplex subsequently denied Metropolitan any further technical support. Metropolitan staff and outside counsel are continuing discussions with Uniplex regarding the final disposition of the contract.

Faced with the need to quickly replace onGO, Information Technology staff sponsored a cross-divisional strategy session on June 29, 1998 to discuss Metropolitan's direction. Ferris Research, a messaging analysis firm, facilitated the discussion. The group first established Metropolitan's top replacement criteria, which included the need to have a mainstream product, good application integration, high reliability, long-term vendor support and viability, and a low total cost of ownership. The group scored five leading alternatives according to the above criteria and selected Microsoft's Exchange messaging product, with Outlook '98 as the desktop client. The results were presented to the Information Technology Governance Council (ITGC), which approved a request to proceed with the publication of a formal Request For Proposal (RFP), No. 344, for consulting services and product acquisition. The ITGC has approved the initial project plan and estimated budget.

This appropriation request covers the operating equipment (hardware), software licenses, internal labor, and consulting costs for completing the entire scope of the implementation. The operating equipment includes the cost of dedicated, fault-tolerant messaging/calendaring servers and

appropriate disaster recovery equipment, including backup/recovery devices. Software includes Microsoft Exchange per-user seat licenses and system utilities. Consulting costs cover the planning, design, and implementation of the system, including client software configuration, server specifications and configuration, security planning and design, interoperability testing, data migration, disaster recovery planning, and Internet and remote connectivity design. Internal labor costs include project management, contract administration, testing, customer support and implementation tasks, and knowledge transfer activities.

CC

Attachment

FINANCIAL STATEMENT

The breakdown of the total estimated cost for design, purchase of materials, and the replacement of the electronic messaging and calendaring system is shown below:

	<u>INITIAL</u>
	<u>AUTHORIZATION</u>
Labor:	
Study	\$ 4,350
Specification Preparation	5,800
Contract Administration	15,950
Implementation	<u>42,195</u>
Subtotal Labor	\$ 68,295
Material and Supplies (Software licenses and utilities)	\$ 120,129
Operating Equipment (Messaging servers and peripherals)	260,000
Incidental Expenses	15,000
Administrative Overhead	37,680
Contract (Design and implementation services)	700,000
Contingencies	<u>108,896</u>
Total	\$ 1,310,000
Source of Funds: Pay-As-You-Go Fund	
Projected Expenditure of Funds:	
Through Fiscal Year 1998/99	\$ 1,201,104
Contingencies	<u>108,896</u>
Total	<u>\$ 1,310,000</u>
Total Program Estimate:	\$ 1,310,000

This program was not part of the Capital Program for Fiscal Year 1998/99.