

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

October 16, 1994

(Task Force to Review Office Space &  
Building Sites--Action)(Engineering & Operations Committee--  
Information)

*To:* Board of Directors (Finance & Insurance Committee--Action)  
(Executive Committee--Action)

*From:* General Manager

*Subject:* Appropriation No. 697 for \$1,640,000 to Fund the Relocation  
of the Data Center to the San Dimas Facility

### Report

On August 14, 1994, negotiations with the City of Los Angeles Fire Department (LAFD) were finalized, permitting Metropolitan limited occupancy of the 1111 Sunset Boulevard property (Annex Tower only), until May 1, 1995. Metropolitan's agreement with LAFD is to either complete various life/safety improvements by the above date, or vacate the parcel.

At this time, all Sunset staff, except those assigned to the Data Center and Fleet Maintenance Operations, have been consolidated at the interim California Plaza headquarters.

At the present time, Metropolitan is fully utilizing the Sunset facility's garage and maintenance area. Staff is investigating various alternatives to the garage, and in the event that the property is disposed of, options for parking and fleet maintenance will be brought to the Board for consideration and appropriate action.

On May 10, 1994, the Board of Directors concurred with the General Manager's determination of 1111 Sunset Boulevard as surplus property and directed staff to commence with the sale of the site. Given the uncertain future use of the site and potential buyers' timelines for the closure of escrow, the installation of life/safety equipment to comply with LAFD's occupancy requirements has not been considered a cost-effective alternative.

APPROVED  
by the Board of Directors of  
The Metropolitan Water District  
of Southern California  
at its meeting held

NOV - 8 1994

*Karen E. Duff*  
EXECUTIVE SECRETARY

In considering the required relocation of the Data Center, five alternatives were evaluated, as shown in Exhibit A. Based on the analyses performed, it was concluded that the most cost-effective, short-term option would be to relocate the Data Center to Metropolitan's leased San Dimas facility. This alternative allows Metropolitan to take advantage of some existing communications apparatus, as well as present shuttle, fleet and building maintenance services. Though the San Dimas option involves the largest initial investment, over the planned five-year occupancy period (prior to occupancy of the Union Station headquarters), it is deemed to be the least-cost alternative overall. Staff will continue to evaluate options for the permanent location of the Data Center in view of future technology, communications, staffing, and centralization and adjacency requirements.

Metropolitan is the sole occupant of the 50,000 sf San Dimas building, of which approximately 5,300 sf would be reallocated from other uses, to house the Data Center. The planning, construction and relocation processes are estimated to take approximately 6 months, and will involve modification of 2,800 sf, out of the total 5,300 sf proposed for the Center.

Staff estimates that the total cost of the recommended relocation option (Option D-1) will be approximately \$1.64 million. A cost detail is attached as Exhibit B, which includes the construction of tenant improvements by the building owner, the necessary upgrade of communications equipment, as well as the relocation of Data Center staff to the new site.

Pending discussions with potential buyers for 1111 Sunset Boulevard, it is recommended that this facility's analog microwave equipment be left in place, rather than removed and disposed of through Metropolitan's salvage program (It is staff's objective to sell the facility in an "as is" condition). Were the equipment removed, the total capital project cost would increase by \$225,000, to \$1.865 million (Option D-2, Exhibit C).

The Data Center relocation was not included in the FY 1994-95 budget because at budget adoption, a specific date to vacate the Sunset property had not been determined.

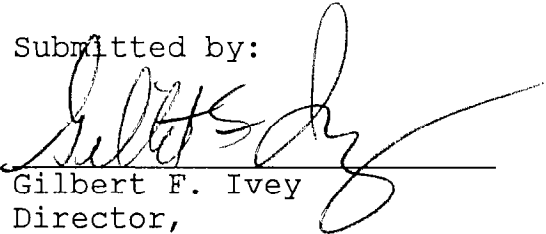
The action proposed herein is exempt from the provisions of the California Environmental Quality Act (CEQA) under Section 15301 of the State CEQA Guidelines (Guidelines), since it involves minor alteration of an existing structure involving negligible or no expansion of use beyond that previously existing; and under Section 15303 of the Guidelines since it involves installation of small new equipment and facilities, in an existing small structure where only minor modifications are made to the exterior of the structure.

Recommendation

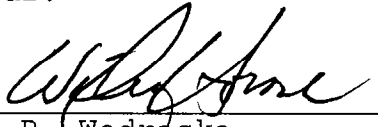
It is recommended that the Board of Directors authorize Appropriation No. 697, for \$1,640,000, from the Pay-As-You-Go Fund, to cover proposed activities pertaining to the relocation of the Data Center to the San Dimas facility.

John R. Wodraska  
General Manager

Submitted by:

  
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Gilbert F. Ivey  
Director,  
Administrative Services

Concur:

  
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John R. Wodraska  
General Manager

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**EXHIBIT A**

**DATA CENTER RELOCATION  
OPTIONS CONSIDERED**

**(Amounts Rounded - In Millions)**

	<b>Option A Outsource IBM with Advantis</b>	<b>Option B Outsource IBM with Pyramid</b>	<b>Option C New Leased Space (Alhambra)</b>	<b>Option D-1 Upgrade Existing San Dimas Leased Space</b>	<b>Option E Shared Facility with So. Calif. Gas Company</b>
<b>Initial Relocation Costs</b>	<b>\$1.673</b>	<b>\$1.656</b>	<b>\$0.966</b>	<b>\$1.640</b>	<b>\$1.199</b>
<b>5-Year Operating Costs</b>	<b>\$1.484</b>	<b>\$1.825</b>	<b>\$1.918</b>	<b>\$0.255</b>	<b>\$1.800</b>
<b>Total</b>	<b>\$3.157</b>	<b>\$3.481</b>	<b>\$2.884</b>	<b>\$1.865</b>	<b>\$2.999</b>

**EXHIBIT B**

**ESTIMATED DATA CENTER RELOCATION COSTS\***

**Recommended Option (D-1)**

<b>Construction</b>	<b>\$ 965,500</b>
<b>Equipment/Network Relocation Assistance</b>	<b>\$ 213,000</b>
<b>Data Center/Communications Equipment (In Support of Move)</b>	<b>\$ 88,000</b>
<b>Overtime Labor (Metropolitan Staff)</b>	<b>\$ 52,500</b>
<b>Moving Costs</b>	<b>\$ 35,000</b>
<b>Short-Term Lease/Hardware &amp; Data Lines</b>	<b>\$ 57,500</b>
<b>Hot Site Fee (if needed)</b>	<b>\$ 55,000</b>
<b>Other Miscellaneous Costs</b>	<b>\$ 10,000</b>
<b>Contingency</b>	<b>\$ 163,500</b>
<b>Total Requested/Appropriation No. 697</b>	<b>\$1,640,000</b>

*\* Capital costs only, O&M has not been included.*

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EXHIBIT C

**ESTIMATED DATA CENTER RELOCATION COSTS\***

**Option D-2**

<b>Construction</b>	<b>\$ 965,500</b>
<b>Equipment/Network Relocation Assistance</b>	<b>\$ 213,000</b>
<b>Data Center/Communications Equipment (In Support of Move)</b>	<b>\$ 88,000</b>
<b>Overtime Labor (Metropolitan Staff)</b>	<b>\$ 52,500</b>
<b>Moving Costs</b>	<b>\$ 35,000</b>
<b>Short-Term Lease/Hardware &amp; Data Lines</b>	<b>\$ 57,500</b>
<b>Hot Site Fee (if needed)</b>	<b>\$ 55,000</b>
<b>Other Miscellaneous Costs</b>	<b>\$ 10,000</b>
<b><i>Sunset Closure Costs</i></b>	<b><i>\$ 225,000</i></b>
<b>Contingency</b>	<b>\$ 163,500</b>
<b>Total Requested/Appropriation No. 697</b>	<b>\$1,865,000</b>

**\* Capital costs only, O&M has not been included.**

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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

CAPITAL FUNDING REQUEST

PROJECT NAME: Relocation of the Data Center

APPROPRIATION NO.: 697 FUNDING REQUEST NO.: AMOUNT: \$ 1,875,000

SOURCE OF FUNDS: Capital BUDGETED: NO / YES @ \$ No CIP PAGE NO. REFERENCE:

PROJECT JUSTIFICATION AND TYPE: (CHECK ALL APPLICABLE)

- MEET WATER DEMANDS, MANDATED BY LAW, ASSET PROTECTION/RISK MGT., COST AVOIDANCE, OTHER Due to Disposal of Sunset Facility, NEW FACILITY, IMPROVEMENT, REPLACEMENT, EXPANSION

PROJECT DESCRIPTION (INCLUDE CLASSIFICATION AND PURPOSE):

This project is required due to: (1) LAFD mandate that the Sunset Facility be vacated no later than May 1, 1995 because of violations of City of Los Angeles' life/safety codes, and (2) a Board of Directors' action which ratified this facility as surplus and directed its disposal. The project includes modifications of the Metropolitan-leased facility in San Dimas in order to accommodate the Data Center. These modifications consist of constructing approximately 2,200 square feet of enclosed, environmentally controlled raised floorspace within the first floor of the facility for both corporate computing platforms (IBM and Pyramid) and associated peripheral equipment, and a 500 square foot room on the second floor for Local Area Network and other communications equipment. Modifications to the building's physical plant include addition of two air conditioning compressor units (20 tons each), a 150 KVA Uninterruptable Power Supply (will provide approximately 40 minutes of emergency back-up power), upgrading the existing 50 KVA emergency diesel generator to 150 KVA, installation of dry pipe fire suppression, fire and smoke detection, security enhancements, and upgrades to the existing electrical power distribution system. The project includes the purchase of some required communications equipment, expansion of the existing telephone switch, and consultant assistance for network redesign (voice, data, LAN and WAN) and hardware relocation planning/implementation.

STRATEGIC PLAN PRINCIPLE: Facilities

BENEFIT (NARRATIVE FOR DIRECT AND OTHER BENEFITS):

Will provide a suitable location for Metropolitan's corporate Data Center for a minimum of five years, until such time that a permanent location is determined. Will allow the Data Center to be located in an existing Metropolitan facility (leased), and utilize the benefits of the existing support infrastructure (i.e. car/vanpools, distribution of mail, shuttles, security services). Additionally, the Data Center Services Branch would be co-located with another Information Services Branch (Telecommunications), easing command and control issues for IS senior management. This option is also the least difficult to design and engineer from a technical standpoint due to having both platforms in the same location, hence the risk of system outages and downtime, both during the move and in the future, is minimized. This option also provides IS with the greatest amount of control over its operating environment. Under the other options which were considered (see next page), IS would be subject to maintenance windows and potential outages caused by either the proposed vendor, or in some cases, by third parties. This option also allows the Branch to tie into Metropolitan's microwave communications network, which decreases the reliance on telephone company leased lines, and eliminates another potential point of failure.

**PROJECT PLAN:**

PHASE	COST	1992	1993	1994	1995	1996
PRE. DESIGN	\$ .2 MILLION				==	
		___ % COMPLETE; \$ _____ SPENT				
FINAL DESIGN	\$ .2 MILLION				====	
		___ % COMPLETE; \$ _____ SPENT				
CONSTRUCTION	\$1.05 MILLION				=====	
		___ % COMPLETE; \$ _____ SPENT				
ACCEPTANCE TESTING	\$ .1 MILLION					===
		___ % COMPLETE; \$ _____ SPENT				
<b>TOTAL</b>	<b>\$1.640 MILLION</b>	___ % COMPLETE; \$ _____ SPENT				

**ALTERNATIVES TO PROPOSED ACTION:**

Five alternatives were considered in a 1994 study. These include two different outsourcing options, leasing a data center facility in another off-site, non-Metropolitan location, subleasing floorspace in the Southern California Gas Company's Monterey Park data center, and upgrading Metropolitan's leased San Dimas facility. While the initial costs for the upgrade project are the highest of the five alternatives studied, it became the least cost option when operating costs were projected out over four years. Because the preferred option is anticipated to be a five-year solution, it is therefore the most economically advantageous. It is the least risk option from a technical perspective, provides operational efficiencies as discussed on the previous page, and will ensure that Metropolitan will only need to move the Data Center one time until a permanent location is identified.

Additionally, site visits were made to numerous existing data center facilities, within the last six months, in and around the Los Angeles area. Only one facility (in the Santa Fe Industrial Complex in Alhambra) was found to be suitable for consideration for as an off-site lease alternative. All other facilities were either too small, much too large, required more substantial and expensive tenant improvements, or failed to meet IS' requirements for an assortment of environmental and/or security reasons. After exploring the existing real estate market, and conducting cost analyses on all reasonably viable alternatives, staff has concluded that upgrading the San Dimas facility is the most advantageous option for Metropolitan.

**POLICY CONSIDERATIONS:**



