



● **Board of Directors**
Organization, Personnel and Technology Committee

7/11/2017 Board Meeting

8-1

Subject

Adopt CEQA determination, appropriate \$1.9 million; authorize the design for an Enterprise Content Management (ECM) application; award a contract for \$1.45 million to HBR Consulting, LLC for software and professional services for design of an ECM application and for the optimization of digital assets on Metropolitan's network storage devices (Appropriation No. 15500)

Executive Summary

This action authorizes the design of an Enterprise Content Management application for Metropolitan. The ECM application will classify and manage electronic documents and other media to allow for easy retrieval, review and destruction of information in accordance with Metropolitan's record retention schedule. Additionally, this action authorizes the purchase of software and professional services to lead an optimization effort to remove redundant, obsolete and trivial (ROT) files, identify work-in-progress and records on Metropolitan's network storage devices.

Timing and Urgency

Metropolitan's current Electronic Document Management System (EDMS) has lost vendor support and requires a replacement. This system was implemented in 1997; both the software and system design is outdated. Prior to the selection and implementation of a new ECM application, a new design document must be prepared and the optimization of files, accumulating for over twenty years, needs to be addressed on the network storage devices. Implementation of a new ECM application will allow Metropolitan to more effectively and efficiently manage its digital assets for business needs to respond to requests under the California Public Records Act (CPRA), and for eDiscovery purposes, and will automate compliance with records retention policies.

These projects have been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and are included in the Cost Efficiency and Productivity Program. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2017/18.

Details

Background

Digital assets are important to Metropolitan. Digital assets are electronic files, including but not limited to Microsoft Word, Excel, and PowerPoint, as well as photographs or any other type of digital media created at Metropolitan. Currently, the storage (approximately 75TB) of these files is scattered across Metropolitan's network storage devices. These files have been accumulating for over 20 years. Some of these files are stored in the EDMS which was implemented in 1997 and has lost vendor support. Metropolitan has a responsibility to manage these files for its own business reasons, to comply with records retention policies, to respond to CPRA requests, and for eDiscovery purposes. In 2015, a records management study was conducted by an outside consultant and found Metropolitan's records management capabilities needed improvement. Action needs to be taken to increase efficiency and effectiveness in Metropolitan's management of digital information.

There are software packages specifically designed to manage digital information. These software packages are known as ECM applications. These software applications manage information by categorizing and storing the

information by functional classification. Records retention policies are created and enforced by functional classification. The basic architecture employed by these applications consists of storage areas for “work-in-progress” and “official records.” The entire repository is searchable to find information for business needs, to respond to CPRA requests, and for eDiscovery purposes. Metropolitan is planning to implement an ECM application but, prior to this implementation, there are pre-requisite tasks. Files on network storage devices need to be optimized and a design document must be prepared for the future ECM application. This Board letter is requesting authorization to perform these pre-requisite tasks.

RFP-PL-1154, for network storage optimization software, services, taxonomy design, and thesaurus development services, was issued on March 2, 2017. There were eight respondents in the competitive bid process. The Small/Disabled Veteran Business Enterprise participation goal designated for this solicitation was 25 percent. One respondent did not meet the solicitation requirements and was deemed non-responsive. RFP-PL-1154 was structured to allow proposers to bid on either one or both components of work outlined in the Request for Proposal (RFP).

Proposals were reviewed and short-listed; after thorough consideration, one respondent was chosen to be awarded both components of work. HBR Consulting, LLC is recommended to be awarded a contract in the total amount of \$1.45 million; \$305,000 for services and \$230,000 for software to complete the network storage device optimization and \$915,000 for services to complete the taxonomy design and thesaurus development supporting a future ECM application. HBR, LLC has 10 years of experience in delivering these types of services. This vendor has worked with other organizations including San Jose Water Group and Paypal. Based upon their proposal, references and experience the RFP review team selected this vendor to be awarded both components of work.

Project 1 – Network File Storage Optimization (\$1,480,000 – Appropriation 15411, No additional appropriated funds required)

The planned work includes identifying and removing ROT files from the network storage devices. Additionally, “work-in-progress” and “records” will be identified, metadata extracted and auto-classified for eventual import into Metropolitan’s ECM application. There are software tools available to identify ROT files, extract metadata and auto-classify the information. This project will purchase software and services to assist Metropolitan in optimizing the information stored on the network storage devices. This work was previously approved in September 2009 (Board Item 8-2), by the Board as part of the eDiscovery project. There are appropriated funds available (Appropriation 15411) to support this work. At conclusion of this work, a total of \$3.79 million will have been spent on the eDiscovery project.

This action authorizes the optimization of Metropolitan’s network storage devices. A total amount of \$1.48 million of previously appropriated funds will be used from Appropriation 15411 to support the following activities: \$600,000 for Metropolitan labor to assist in optimizing the files residing on the network storage devices, \$62,000 for project management, \$305,000 for professional/technical services, \$365,000 for software and hardware purchases, \$10,000 for incidental expenses and \$138,000 for remaining budget.

Project 2 – Taxonomy Design and Thesaurus Development (\$1,900,000 – Appropriation 15500)

The planned work includes designing a taxonomy for storing unstructured data and the development of a thesaurus to support the implementation of Metropolitan’s ECM application.

The taxonomy design includes a classification structure, metadata and sensitivity designation. The classification structure is a hierarchical function-based structure for storing files. At each level of the hierarchy, metadata tags are assigned to the file to aid customers in quickly finding the information they seek with targeted, accurate and detailed search results, regardless of the file location. A file’s sensitivity designation determines restrictions for storage and retrieval of information. The proper taxonomy design for the ECM application is essential to ensure the customers use the system and the system meets their needs.

The thesaurus development is unique to Metropolitan nomenclature. The thesaurus is used primarily in searching for information. An easy example would be, an individual wanted to find all documents related to “Diamond Valley Lake.” Diamond Valley Lake has been called many things: Eastside Reservoir, Domenigoni Valley Lake, Domenigoni Valley Reservoir, etc. A thesaurus provides the one-to-many relationship between terms to allow for

a broad enough search field to obtain the proper results. A solid thesaurus will ensure efficient search results satisfying the need of the ECM application's customers.

The taxonomy design and thesaurus development will follow standards developed by the International Organization for Standards, the world's largest developer of voluntary international standards. These standards are used throughout the Content Management community and will act as guidelines for Metropolitan.

This action appropriates \$1.9 million and authorizes the taxonomy design and thesaurus development required for the future ECM application. The requested funds include \$717,000 for Metropolitan labor to participate in the taxonomy design and thesaurus development, \$83,000 for project management, \$915,000 for professional/technical services, \$10,000 for incidental expenses and \$175,000 for remaining budget.

Summary

This action appropriates \$1.9 million, authorizes the optimization of the network storage devices, taxonomy design and thesaurus development in support of a future ECM application. This work is included in Appropriation 15411, Business, Finance and HR initiated in 2003, and Appropriation 15500, ECM Appropriation initiated in 2017. With the present actions, the total funding for Appropriation 15411 will remain at \$22,468,230 million and the total funding for Appropriation 15500 will increase from \$0 to \$1.9 million.

This action authorizes an agreement with HBR, LLC in the amount of \$1.45 million for software and services to complete the network storage device optimization and the taxonomy design and thesaurus development supporting a future ECM application.

These projects have been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and are included in the Cost Efficiency and Productivity Program. Funds for this action are available within Metropolitan's capital expenditure for fiscal year 2017/2018.

See [Attachment 1](#) for the Financial Statement.

Project Milestones

December 2017 – Complete the digital asset optimization, taxonomy and metadata design, and thesaurus development for the Human Resources Group.

February 2018 – Complete the digital asset optimization, taxonomy and metadata design, and thesaurus development for the Real Property Group.

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities that will not result in direct or indirect physical changes to the environment (Section 15378(b)(2) and Section 15378(b)(5) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project under CEQA pursuant to Sections 15378(b)(2) and 15378(b)(5) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options

Option #1

Adopt the CEQA determination that the proposed action is not a project under CEQA, and

- a. Appropriate \$1.9 million; and
- b. Award a \$1.45 million contract to HBR Consulting, LLC for software and professional services for design of an ECM application and for the optimization of digital assets on Metropolitan’s file shares.

Fiscal Impact: \$1.9 million of capital funds under Appropriation No. 15500

Business Analysis: This option would eliminate redundant, obsolete and trivial information, accumulating for 20 years, from Metropolitan’s network storage devices. The remaining information would be classified and labeled as official Metropolitan records or work in-progress. These tasks need to be completed for eventual migration into a future ECM application which would more efficiently and effectively manage Metropolitan’s digital assets for business needs, to respond to CPRA requests, and for eDiscovery purposes; and automate compliance with records retention policies.

Option #2

Do not proceed with the Digital Asset Optimization, Taxonomy and Metadata Design, and Thesaurus development project, at this time.

Fiscal Impact: None

Business Analysis: This option would not optimize or classify 20 years of digital assets stored on Metropolitan’s network storage devices. Metropolitan would not be strategically positioned for the implementation of a future ECM application to more efficiently manage digital assets for business needs, to respond to CPRA requests, and for eDiscovery purposes. Staff would continue to comply with records retention policies manually.

Staff Recommendation

Option #1



Fidencio Mares
Asst. General Manager/CAO

6/20/2017
Date



Jeffrey Kightlinger
General Manager

6/26/2017
Date

Attachment 1 – Financial Statement

Ref# cao12648878

Financial Statement for Enterprise Content Management Appropriation

A breakdown of Board Action No. 1 for Appropriation No. 15500 for the design of the Enterprise Content Management System ¹ is as follows:

	Previous Total Appropriated Amount	Current Board Action No. 1 (Jul. 2017)	New Total Appropriated Amount
Labor			
Owner Costs (Program mgmt., & contract admin.)		\$ 800,000	\$ 800,000
Materials & Supplies	-	-	-
Incidental Expenses	-	10,000	10,000
Professional/Technical Services	-	915,000	915,000
Remaining Budget	-	175,000	175,000
Total	\$ -	\$ 1,900,000	\$ 1,900,000

Funding Request

Appropriation Name:	Enterprise Content Management Appropriation		
Source of Funds:	Revenue Bonds, Replacement and Refurbishment or General Funds		
Appropriation No.:	15500	Board Action No.:	1
Requested Amount:	\$ 1,900,000	Budget Page No.:	N/A
Total Appropriated Amount:	\$ 1,900,000	Total Appropriation Estimate:	\$ 1,900,000

¹ This is the initial action for the Enterprise Content Management Appropriation. The total cost to complete the design is \$1.9 million.