



- Board of Directors
Engineering and Operations Committee

7/14/2020 Board Meeting

7-5

Subject

Authorize an amendment to a professional services agreement with Systems Integrated, LLC, for up to six years in an amount not-to-exceed \$362,000 annually, to provide support and maintenance of Metropolitan's existing Supervisory Control and Data Acquisition system; the General Manager has determined the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This board letter requests authorization to amend the current professional services agreement between Metropolitan and Systems Integrated, LLC (Systems Integrated) to provide support and maintenance of Metropolitan's existing Supervisory Control and Data Acquisition (SCADA) system. The term of the amended agreement will be year-to-year for up to six years, and payments under the agreement shall not exceed \$362,000 annually, for a maximum total payment of \$2,172,000. Systems Integrated is Metropolitan's SCADA vendor and developer of the software currently being utilized. As the software and hardware are proprietary products, software maintenance and updates are only available from Systems Integrated, and therefore this agreement is a sole source agreement.

Timing and Urgency

The agreement amendment ensures continued SCADA software and cybersecurity updates allowing Metropolitan to maintain a strong SCADA cybersecurity posture to prevent software vulnerabilities that could potentially affect treatment plant and distribution system operations. The agreement amendment also provides Metropolitan with the ability to expand the use of the SCADA software to include any new sites or systems at treatment plant, conveyance, and distribution facilities.

The agreement amendment additionally allows Metropolitan to maintain its existing SCADA system for operational reliability until completion of a Capital Investment Plan (CIP) project that will provide a system-wide upgrade of the SCADA system. The upgrade project is currently in the conceptual design phase. During future prototype and installation phases of the upgrade project, portions of the water system will be operated with the existing SCADA system in parallel with portions of the water system operating with the upgraded new system. This is because of the technical complexity and challenges of ensuring the upgraded SCADA system is installed properly and operates reliably, a few plants or facilities at a time, to avoid the operational risk associated with upgrading too many facilities concurrently. Therefore, the existing SCADA system will likely be operational and in need of support and maintenance from Systems Integrated throughout the estimated six-year period.

Details

Background

The current agreement between Metropolitan and Systems Integrated (Agreement No. 38951) was executed on December 16, 2001, and has been amended as needed every one to three years. The original agreement and additional amendments have not required board-approval as the total cost has remained below \$250,000 per year. The proposed six-year agreement amendment requires board-approval as a result of higher costs due to inflation and an increase in the agreement scope, as described below. The current agreement expires on September 16, 2020.

The agreement amendment with Systems Integrated provides \$26,000 per month, or \$312,000 annually, for SCADA software enhancements, updates and cybersecurity patches, as well as 24/7 technical support for SCADA system software and hardware utilized at all Metropolitan treatment plants, the operations control center, desert pumping plants, and facilities throughout the conveyance and distribution system. The services provided are essential to maintain reliability of the existing SCADA system and helps to resolve critical system issues with minimal downtime. This monthly payment model is similar to service agreements with other software and technology vendors at Metropolitan requiring 24/7 support when issues arise.

The agreement amendment additionally provides up to \$50,000 annually for task orders for SCADA server software, Oracle software upgrades, and funds for Systems Integrated, if required, to develop new interface(s) to allow data sharing between the current SCADA system and a future SCADA system that is part of the system-wide control system upgrade CIP project.

The maximum annual \$362,000 cost for these SCADA support and maintenance services is included in the Water System Operations O&M budget.

Alternatives Considered

A term less than six years was considered for this agreement amendment. However, the system-wide control system upgrade CIP project currently underway is expected to take longer to complete than originally anticipated, due to the challenging technical nature of the work and the procurement process. During the future upgrade, portions of the water system will be operated with the existing SCADA system in parallel with portions of the water system operating with the upgraded new system. Therefore, the existing SCADA system will likely be operational and in need of support and maintenance from Systems Integrated throughout the estimated six-year period. Lastly, this amendment allows Metropolitan to terminate the SCADA support and maintenance services earlier than six years if these services are no longer required.

Policy

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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 (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State of CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an amendment to a professional services agreement with Systems Integrated, LLC, for up to six years in an amount not-to-exceed \$362,000 annually, to provide support and maintenance of Metropolitan's existing Supervisory Control and Data Acquisition (SCADA) system.

Fiscal Impact: Up to \$2,172,000 of budgeted O&M expenditures

Business Analysis: This option will ensure the SCADA system remains reliable and reduces the risk of unplanned outages of treatment plant and distribution system operations due to SCADA software issues and cybersecurity vulnerabilities. Additionally, this option provides access to 24/7 technical support to help resolve critical SCADA system issues with minimal downtime.

Option #2

Do not authorize funds

Fiscal Impact: None

Business Analysis: This option provides no SCADA software updates or patches, increasing the risk of unplanned outages of treatment plant and distribution system operations due to SCADA software issues and cybersecurity vulnerabilities. Additionally, this option forgoes access to 24/7 technical support to resolve critical SCADA system issues.

Staff Recommendation

Option #1



Brent Yamasaki
Group Manager, Water System Operations

7/1/2020

Date



Jeffrey Nightlinger
General Manager

7/2/2020

Date

Ref# wso12673619