



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

1/12/2021 Board Meeting

7-5

Subject

Authorize an agreement with Switch, Inc., in an amount not-to-exceed \$1,062,284 for the lease of space for the Primary location and authorize an agreement with SHI International, Inc., in an amount not-to-exceed \$4,077,866 for the procurement of equipment for the Primary location space for the Datacenter Modernization/Relocation project; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA. [Conference with Metropolitan Information Technology Unit Manager of the Program Management Office Alex Encarnacion, or designated agents on threats to public services or facilities; may be heard in closed session pursuant to Gov. Code Section 54957(a)]

Executive Summary

This action authorizes two agreements; one for the lease of space for the Primary location and the other for the procurement of equipment for the Primary location space for the Datacenter Modernization/Relocation project.

Details

Background

To improve the overall resiliency of information technology infrastructure that supports all of the enterprise business systems, the Datacenter Modernization/Relocation project will create new primary and backup datacenter colocation sites to support all enterprise information technology systems. A colocation site is a datacenter facility where Metropolitan will lease space for servers and other computing hardware and subscribe for infrastructure services to maintain system uptime and connectivity.

The primary site is planned for an out-of-region colocation facility, while the backup site will be in-region.

This action will authorize the General Manager to proceed with two agreements; one for the lease of space for the Primary location and the other to procure the equipment for the Primary location space. Funds for the work to be performed, pursuant to the subject contract during the current biennium, are available within the Capital Investment Program Appropriation for Fiscal Years 2020/21 and 2021/22 (Appropriation No. 15517).

Selection of Primary Location Space – Implementation

A total of \$1,062,284 is being requested for the agreement to lease the Primary location space for three years.

Selection of Equipment for the Primary Location Space – Implementation

A total of \$4,077,866 is being requested for the agreement to procure the primary space equipment, which includes all necessary components (i.e., racks, servers, cables) to support primary Metropolitan operations at this site.

Award of Contract (Switch, Inc. \$1,062,284)

Switch, Inc. is recommended to lease the Primary location space for the Datacenter Modernization/Relocation project. Switch, Inc. was prequalified through RFP-DH-1243. Subsequently, Switch, Inc. was selected for this project due to location availability and price. The scope of work will include the lease of space for the Primary location for three years. RFP-DH-1243 was issued on March 11, 2020. There were five qualified respondents to the RFP. Switch, Inc. is recommended to be awarded a contract in an amount not-to-exceed \$1,062,284.

Award of Contract (SHI International, Inc. \$4,077,866)

SHI International, Inc. is recommended to procure the equipment for the Primary location space. SHI International, Inc. was prequalified to source equipment through RFB-RB-386839. Subsequently, SHI International, Inc. was selected for this project due to equipment availability and price. The scope of work will include procurement and delivery of requested equipment to a designated facility. RFB-RB-386839 was issued on September 15, 2020. There were six qualified respondents to the RFB. Offerings based on availability and cost were reviewed, and after thorough consideration, SHI International, Inc. was selected as the provider. SHI International, Inc., is recommended to be awarded a contract in an amount not-to-exceed \$4,077,866.

Summary

This action authorizes two agreements; one with Switch, Inc. for the lease of space for the Primary location and the other with SHI International, Inc. to procure and deliver equipment to Metropolitan's Primary Datacenter location. This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2020/21 capital expenditure plan. See **Attachment 1** for the Financial Statement.

Project Milestones

Datacenter Modernization/Relocation project approval – July 2019

Primary Colocation RFP award – August 2020

Datacenter physical build and commission – March 2021

Network installation and testing – May 2021

Server and Storage Systems installation and testing – November 2021

Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

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

Metropolitan Water District Administrative Code Section 8140: Competitive Procurement

By Minute Item 51963, dated April 14, 2020, the Board appropriated a total of \$500 million for projects identified in the Capital Investment Plan for Fiscal Years 2020/21 and 2021/22.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves administrative activities of governments (Section 15378(b)(5) of the State CEQA Guidelines). Also, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. Finally, the proposed action consists of the operation, maintenance, and leasing of existing public or private structures, facilities, or mechanical equipment, involving negligible or no expansion of existing or former use and no possibility of significantly impacting the physical environment. Accordingly, the proposed action qualifies under a Class 1 Categorical Exemption (Sections 15301 the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize two agreements; one with Switch, Inc. in an amount not-to-exceed \$1,062,284 for the lease of space for the Primary location and one with SHI International, Inc. in an amount not-to-exceed \$4,077,866 for the procurement of equipment for the Primary location space for the Datacenter Modernization/Relocation project.

Fiscal Impact: Expenditure of \$5,140,150 in capital funds. The entire \$5,140,150 is accounted for and allocated to this project for the current biennium.

Business Analysis: This option will provide the lease of space and all necessary equipment to furnish the Primary Datacenter.

Option #2

Take no action at this time

Fiscal Impact: None

Business Analysis: This option will not allow the Datacenter Modernization/Relocation project to move forward.

Staff Recommendation

Option #1



Charlie Eckstrom
Group Manager, Information Technology

12/28/2020

Date



Jeffrey Rightlinger
General Manager

12/29/2020

Date

Attachment 1 – Financial Statement

Ref# it12675858

Allocated Funds for Datacenter Modernization/Relocation Project

	Current Board Action (Jan. 2021)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt.)	-
Submittals Review & Record Drwgs	-
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	4,077,866
Incidental Expenses	-
Professional/Technical Services	1,062,284
Equipment Use	-
Contracts	-
Remaining Budget	-
Total	\$ 5,140,150