OCTA

June 13, 2018

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Agreement for Data Center Colocation Services

Overview

The Orange County Transportation Authority requires a firm to provide data center colocation services for the hosting of the Orange County Transportation Authority's business application computing infrastructure. A competitive procurement has been conducted and offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board of Directors' approval is requested to execute an agreement for these services.

Recommendations

A. Approve the selection of Switch Ltd., as the firm to provide data center colocation services for the hosting of the Orange County Transportation Authority's business application computing infrastructure.

B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1507 between the Orange County Transportation Authority and Switch Ltd., in the amount of $623,820, for a five-year initial term, with one, three-year option term to provide data center colocation services.

Discussion

One of the key initiatives within the Orange County Transportation Authority's (OCTA) Information Systems (IS) Department is to discontinue the maintenance and operation of its own data center. Instead, the IS Department seeks to host the business application computing infrastructure in a privately-owned and classified Tier III or better colocation data center that is in a secure, reliable facility, offering scalability for growth and disaster recovery.

The existing data center located at OCTA's administrative building in the City of Orange was constructed in 1993. Some of the major components of the data center, such as air conditioning units and backup power generator, are reaching the end of their useful life and will need to be replaced within the next two years if the data center continues to be used. In addition, the existing data center is much larger than is needed due to the smaller footprint of the latest information technology equipment, and the cooling and power layout is very difficult to re-configure to a smaller space.

The benefits of moving to a colocation data center are as follows:

Location – Ability to geographically separate operations from the data center and to have the data center in a low risk natural disaster zone.

Security – Security measures include on-site security, closed circuit cameras, alarm systems, coded access, and biometric systems.

Stability – Diverse power feeds and distribution paths, redundant uninterruptable power battery backup systems, redundant backup power generators that can be re-fueled while in operation, and redundant cooling systems.

Scalability – Ability to increase or decrease the hosted data center space as needed.

Reduced Costs – More predictable operating expense model than the capital expenses of securing and maintaining one's own data center, as well as lower utility costs due to economies of scale.

Support – 24/7 highly experienced staff maintaining the data center and its underlying infrastructure (electrical, cooling, fire suppression).

Procurement Approach

This procurement was handled in accordance with Board of Directors (Board)-approved procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as staffing and project organization, prior experience with similar projects, work plan, and a fair and reasonable price structure.

On March 8, 2018, Requests for Proposals (RFP) 8-1507 was issued and sent electronically on CAMM NET. The project was advertised in a newspaper of

general circulation on March 8 and 15, 2018. Two addenda were issued to respond to questions related to the RFP.

On April 3, 2018, 12 proposals were received, two of which were deemed non-responsive. Navisite LLC (Navisite) submitted several contractual exceptions and/or deviations, which were deemed non-negotiable, and the firm was provided with the opportunity to retract the items. Navisite did not retract any of its exceptions/deviations; therefore, the firm's proposal was not included as part of the evaluation process. Coresite LLC's (Coresite) proposal was also deemed non-responsive as Coresite was unwilling to sign its proposal after being given an opportunity to do so.

An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management, Information Systems, Security and Emergency Preparedness, and Rail Programs and Facilities Engineering departments met to review the remaining ten proposals based on the following evaluation criteria and weights:

• Qualifications of the Firm	35 percent
• Staffing and Project Organization	15 percent
• Work Plan	25 percent
• Cost and Price	25 percent

Several factors were considered in developing the criteria weights. Qualifications of the firm was weighted the highest at 35 percent to ensure the firm has a secure, reliable facility offering space, power, cooling, and physical security, as well as scalability for growth and disaster recovery. Work plan, as well as cost and price, were both weighted 25 percent to ensure the firm demonstrated understanding of OCTA's colocation needs and requirements, and OCTA received value for the service provided. Staffing and project organization was weighted 15 percent to ensure the firm's staff have experience managing a data center.

The evaluation committee reviewed and discussed the remaining ten proposals based on the evaluation criteria. Two firms were short-listed and invited for an interview and site visit to be held at their proposed facilities. The two firms are listed on the next page in alphabetical order:

Firm and Location

Switch Ltd. (Switch)
Las Vegas, Nevada

VPLS, Inc. (VPLS)
Orange, California

The interviews were conducted at each firm's facility and consisted of a presentation to demonstrate the firms' understanding of OCTA's requirements, followed by a facility tour, and a question and answer segment. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' proposed facility and security measures, as well as contingency, maintenance, and redundancy plans. Finally, each team was asked specific clarification questions related to their proposal. At the conclusion of the interviews, a request for a best and final offer (BAFO) was sent to the two short-listed firms to clarify internet connectivity requirements and pricing.

After considering the responses to the questions asked during the interviews and the facility tours, as well as information provided in the BAFO, the evaluation committee reviewed the preliminary ranking for both firms and made adjustments to individual scores. As a result, the ranking of the firms remained unchanged.

Based on the evaluation of the written proposals, the firms' qualifications, and the information obtained from the interviews, site visits, BAFO, the evaluation committee recommends Switch for consideration of the award. The following is a summary of the proposal evaluation results.

Qualifications of the Firm

The two short-listed firms demonstrated relevant experience and qualifications related to colocation services.

Switch has been in business for 18 years and specializes in designing, building, and operating stand-alone, purpose-built colocation data centers that include space, power, connectivity, physical security, and remote hands services. The firm is headquartered in Las Vegas, Nevada and operates primary colocation data centers in four United States cities, including Las Vegas, Reno, Grand Rapids, and Atlanta. Its customers range from Fortune 100 companies and government agencies to midsized enterprises and startups, such as eBay, Sony, and the Los Angeles Department of Water and Power. Switch has received the Uptime Institute's highest Tier IV Gold certification for its data centers, which

exceeds the Tier III classification required under the scope of work for this project. The facilities have extensive fire, safety, security, and redundancy plans, including backup power, surveillance, and intrusion detection systems. In addition, Switch data centers run on 100 percent renewable energy.

Founded in 2005, VPLS's proposal and interview demonstrated relevant project experience in providing data center colocation services for private and public entities, including the Housing Authority of the City of Los Angeles, Triple8 Network, and the Firefighters First Credit Union. VPLS's proposed subconsultant, H5 Data Centers, has experience in providing colocation facilities required to successfully host OCTA's infrastructure. The proposed data center was built to meet Uptime Institute's Tier III rating as required under the scope of work of this project; however, the facility does not have an Uptime Institute certification.

Staffing and Project Organization

Both firms proposed experienced key personnel with relevant experience in providing data center colocation services.

Switch currently employs approximately 730 personnel, and the proposed project manager has been with the firm for over 14 years. The firm's security personnel have a military, law enforcement, or security background to ensure privacy, safety, and access to the facility. The project team provided excellent responses to interview questions that demonstrated a high level of competency and commitment to completing the project.

VPLS currently employs over 110 employees and proposed a qualified project team and staffing plan that included personnel with extensive expertise in their respective fields. The proposed project manager has over 15 years of experience in the industry and three years with the firm. In addition, the subconsultant's staff are very experienced in managing data centers. VPLS provided excellent responses to interview questions that demonstrated a high level of competency and commitment to completing the project.

Work Plan

The two short-listed firms demonstrated an understanding of OCTA's colocation requirements.

Switch clearly communicated its ability to meet or exceed all aspects of hosting OCTA's business application computing infrastructure in a secure, reliable facility offering scalability for growth, as well as disaster recovery measures.

Switch's proposed facility was constructed in 2016 and is approximately 357,556 square feet. The facility is wholly owned by Switch and has a very low disaster rating related to the probability of a natural disaster occurring near the site. The firm provided a detailed approach for the transition process of OCTA's equipment into the facility and offers a wide range of professional services at the site to ensure OCTA's needs are met remotely. During the interview and site visit, Switch provided comprehensive responses to OCTA's questions concerning the proposed facility.

VPLS's proposed facility was constructed in 2012 and currently features 25,000 square feet of data center space. The facility is wholly owned by its proposed subcontractor, H5 Data Centers, and has a very low disaster rating related to the probability of a natural disaster occurring near the site; however, the location has not been fully built out and there are plans for continued construction. During the interview and site tour, VPLS provided good responses to OCTA's questions concerning the proposed facility.

Cost and Price

The firms were asked to provide monthly rates for storage space and colocation services based on equipment to be housed at the proposed facility. Pricing scores were based on a formula which assigned the highest score to the lowest proposed price, and scored the other proposals based on their relation to the lowest price. Switch's proposed pricing is deemed fair and reasonable as it is lower than the OCTA Project Manager's independent cost estimate and competitive compared to other pricing received.

Procurement Summary

Based on the evaluation of the written proposals, firms' qualifications, and the information obtained from the interviews and site visits, as well as the BAFO, the evaluation committee recommends the selection of Switch as the firm to provide data center colocation services. Switch delivered a comprehensive proposal and interview that was responsive to all the requirements of the RFP.

Fiscal Impact

The project was approved in Orange County Transportation Authority's Fiscal Year 2017-18 Budget, Finance and Administration/Information Systems, Account 1284-7519-A5352-0EX, and is funded through local funds. The funding for each year will be included within that fiscal year's budget.

Summary

Staff recommends the Board authorize the Chief Executive Officer to negotiate and execute Agreement No. C-8-1507 between the Orange County Transportation Authority and Switch Ltd., in the amount of $623,820, for a five-year initial term, with one, three-year option term to provide data center colocation services.

Attachments

A. Review of Proposals – RFP 8-1507 Data Center Colocation Services
B. Proposal Evaluation Criteria Matrix (Short-Listed Firms) – RFP 8-1507 Data Center Colocation Services
C. Contract History for the Past Two Years – RFP 8-1507 Data Center Colocation Services

Prepared by:

Barry Reynolds
Department Manager,
Information Systems
714-560-5527

Virginia Abadessa
Director, Contracts Administration and
Materials Management
714-560-5623

Approved by:

Andrew Oftelie
Executive Director,
Finance and Administration
714-560-5649