



ANTONIO R. VILLARAIGOSA
Mayor

Commission
THOMAS S. SAYLES, *President*
ERIC HOLOMAN, *Vice President*
RICHARD F. MOSS
CHRISTINA E. NOONAN
JONATHAN PARFREY
BARBARA E. MOSCHOS, *Secretary*

RONALD O. NICHOLS
General Manager

January 16, 2013

The Honorable City Council
City of Los Angeles
Room 395, City Hall
Los Angeles, California 90012

Honorable Members:

Subject: Agreement No. 197 (Amendment No. 1) with Switch Communications Group L.L.C.

Pursuant to Charter Section 373, enclosed for approval by your Honorable Body is Resolution No. 19520, adopted by the Board of Water and Power Commissioners (Board) on January 11, 2013, approved as to form and legality by the City Attorney, which authorizes Agreement No. 197 (Amendment No. 1) for Out-of-State Disaster Recovery Data Center with Switch Communications Group L.L.C. The amendment will increase the contract by \$1,850,000 and extend the term by 16 months. As directed by the Board, transmitted to you are supporting documents.

If there are any questions regarding this item, please contact Ms. Winifred Yancy, Manager of Intergovernmental Affairs and Community Relations, at (213) 367-0025.

Sincerely,

Barbara E. Moschos
Board Secretary

BEM:oja

Enclosures: LADWP Resolution
Board Letter
CAO Report
Amendment No. 1 to Agreement No. 197

Water and Power Conservation ... a way of life



c/enc: Mayor Antonio Villaraigosa
Councilmember Jose Huizar, Chair, Energy and the Environment Committee
Gerry F. Miller, Chief Legislative Analyst
Miguel A. Santana, City Administrative Officer
Rafael Prieto, Legislative Analyst, CLA
William R. Koenig, Chief Administrative Analyst
Winifred Yancy

RESOLUTION NO. 19520

WHEREAS, on January 10, 2010, the Los Angeles Department of Water and Power (LADWP) entered into a piggy-back contract with Switch Communications Group L.L.C. (Switch Communications) through Agreement No. 197, based on the United States General Services Administration (GSA) contract, to provide computer space, air conditioning, power, security, and other related services for use as an out-of-state back-up disaster recovery data center; and

WHEREAS, the United States GSA contract renewal with Switch Communications is pending; and

WHEREAS, the LADWP requires continuous use of the computer space and associated utility and services to ensure an uninterrupted operation of the out-of-state back-up disaster recovery data center, beyond expiration of Agreement No. 197 on January 10, 2013; and

WHEREAS, the LADWP proposes Amendment No. 1 to Agreement No. 197 to extend the Agreement from January 11, 2013 to the United States GSA contract expiration of June 8, 2014; and

WHEREAS, the LADWP also proposes Amendment No. 1 to Agreement No. 197 to increase the current not-to-exceed amount of \$3,900,000 to a total Agreement limit not-to-exceed \$5,750,000; and

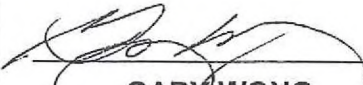
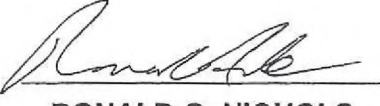
WHEREAS, the term of the original Agreement exceeds the total contract time period set by ordinance and in accordance with City Charter Section 373, City Council approval is required.

NOW THEREFORE BE IT RESOLVED that Amendment No. 1 to Agreement No. 197 approved as to form and legality by the City Attorney and filed with the Secretary of the Board, between the LADWP and Switch Communications be and the same is hereby approved.

BE IT FURTHER RESOLVED pursuant to City Charter Section 1022, the City of Los Angeles does not have the specialized computer facility and services covered by this Amendment and it is more feasible to have the facility and services provided by an independent contractor; and

BE IT FURTHER RESOLVED that the Chief Accounting Employee of the LADWP, upon proper certification, is hereby authorized and directed to draw demands upon the Power Revenue Fund in payment of the obligations arising under the Agreement and Amendment; and

LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) BOARD APPROVAL LETTER

TO: BOARD OF WATER AND POWER COMMISSIONERS	DATE: December 13, 2012
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  GARY WONG Assistant General Manager- Systems Support Division </div> <div style="text-align: center;">  RONALD O. NICHOLS General Manager </div> </div>	SUBJECT: <p align="center"> Amendment No. 1 to Agreement No. 197 For Out-of-State Disaster Recovery Data Center </p> <p align="center"> Contract With: Switch Communications Group L.L.C. Las Vegas, Nevada </p>
	FOR COMMISSION OFFICE USE: RESOLUTION NO. _____
CITY COUNCIL APPROVAL REQUIRED: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	IF YES, BY WHICH CITY CHARTER SECTION: 373

- New Contract
- Replacement Contract
- Amendment to Existing Contract

PURPOSE

The attached Resolution recommends approval of Amendment No. 1 (Amendment) to Agreement No. 197 (Agreement) with Switch Communications Group L.L.C. (Switch Communications), a cooperative purchase contract, based on the United States General Services Administration (GSA) Contract No. GS-35F-0510V. Approval by City Council is required in accordance with City Charter Section 373.

The Amendment is necessary to continue to provide LADWP with a disaster recovery data center in an area that is located in a "safe-zone" from natural disasters and within a reasonable distance from the LADWP headquarters in metro Los Angeles. In the event of a disaster, LADWP staff can promptly access the disaster recovery data center facility and recover critical data required for LADWP to restore its normal operations.

COST AND DURATION

	Current Maximum Expenditure	Requested Amendment No. 1	Amended Maximum Expenditure
Original Period (3 years)	\$3,900,000		\$3,900,000
Amendment No. 1		\$1,850,000	\$1,850,000
Agreement Total	\$3,900,000	\$1,850,000	\$5,750,000

Currently, LADWP's Agreement No. 197 expires on January 10, 2013. This proposed amendment extends the Agreement by one year, four months and 29 days to June 8, 2014. This extension of time coincides with the current expiration of the United States GSA Contract No. GS-35F-0510V.

BACKGROUND

In 2009, the Board of Water and Power Commissioners requested that LADWP establish a back-up disaster recovery data center beyond the Los Angeles Basin, for centralization of the computer equipment required for data recovery and future expansion. As such, on January 10, 2010, the LADWP established a cooperative purchase contract, Agreement No. 197 with Switch Communications, based on the United States GSA Contract No. GS-35F-0510V, to provide computer space, utility, security, and other related services for use as an out-of-state back-up disaster recovery data center.

The extension and additional funding will allow continuous use of the computer space, utility security, and associated services to ensure an uninterrupted operation of the out-of-state disaster recovery data center, which will enable LADWP, in the event of a disaster, to retrieve data that is critical for LADWP to continue providing safe and reliable water and power to its customers as well as safeguarding the LADWP revenue stream.

Should the United States GSA renew their contract upon its expiration on June 8, 2014, and if LADWP determines that the pricing is favorable based on current market conditions, LADWP will recommend extending this cooperative purchase for as long as services are used or until a replacement contract is in place, whichever occurs first.

In the event that LADWP is required to relocate the out-of-state disaster recovery data center, LADWP will need to incur an estimated cost of over \$10 million to move the existing equipment, purchase new equipment as necessary, and establish the environment for the new disaster recovery data center. As such, it is critical to increase the time and funding to continue using the existing facility and avoid incurring costs for relocation.

Switch Communications has agreed to maintain fixed pricing through the extended contract period. Switch Communications has performed well under the current contract.

Per City Charter section 373, Los Angeles City Council approval is required.

LOCAL BUSINESS PREFERENCE PROGRAM (LBPP)

The LBPP was not included in this specification, as the original award was a cooperative agreement and awarded prior to LBPP implementation.

METHOD OF SELECTION

Competitive Cooperative Purchase Sole Source Single Source

MINORITY/WOMEN BUSINESS ENTERPRISE (MBE/WBE) SUBCONTRACTING PARTICIPATION

This is a cooperative purchase with the United States GSA Contract No. GS-35F-0510V. Switch Communications owns and operates a highly secured data center facility located in Las Vegas, Nevada, providing computer spaces, physical security, utility, and connectivity services to customers. Due to the sensitive nature of the service, Switch Communications will self-perform all security, custodial, building maintenance, and repair services. Therefore, no subcontractors will be utilized for services provided to LADWP.

CONTRACT AND VENDOR HISTORY

Contract History					
Contract/ PO No.	Contractor	Term of Contract	Start Date	Ending Date	Contract Amount
Agreement No. 197	Switch Communications Group L.L.C.	3 years	01/10/2010	01/09/2013	\$3,900,000

Vendor History					
Contract/ PO No.	Contract Description	Term of Contract	Start Date	Ending Date	Contract Amount
Agreement No. 197	Provision of computer space, utility, and associated services for use as a disaster recovery data center	3 years	01/10/2010	01/09/2013	\$3,900,000

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act (CEQA), it has been determined that awarding an Agreement for an out-of-state data center that will provide computer space, associated utility, telecommunication, security, and other related

services for LADWP for use as a disaster recovery data center is exempt pursuant to the General Exemption described in CEQA Guidelines Sections 15061(b)(3). General Exemptions apply in situations where it can be seen with certainty that there is no potential that the activity in question may have a significant effect on the environment.

RECOMMENDATION

It is recommended that your Honorable Board adopt the attached Resolution recommending the Los Angeles City Council's approval of Amendment No. 1 to Agreement No. 197.

EY:vnc

Attachments

e-c/att: Ronald O. Nichols
Richard M. Brown
Aram Benyamin
James B. McDaniel
Philip Leiber
Gary Wong
Gwendolyn W. Williams
Matthew M. Lampe
Adina Roberts

0150-09877-0000

TRANSMITTAL

TO Ronald O. Nichols, General Manager Department of Water and Power	DATE JAN 09 2013	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT	

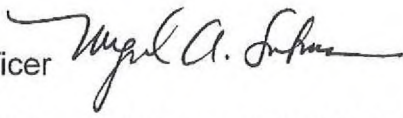
**FIRST AMENDMENT TO AGREEMENT NO. 197 BETWEEN THE LOS ANGELES
DEPARTMENT OF WATER AND POWER AND SWITCH COMMUNICATIONS GROUP LLC
FOR DISASTER RECOVERY DATA CENTER SERVICES**

Approved and transmitted for further processing including Council consideration.
See the City Administrative Officer report attached.


MAYOR

FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: December 19, 2012
To: The Mayor
From: Miguel A. Santana, City Administrative Officer 
Reference: Communication from the Department of Water and Power dated October 25, 2012; referred by the Mayor for report on November 6, 2012
Subject: **FIRST AMENDMENT TO AGREEMENT NO. 197 BETWEEN THE LOS ANGELES DEPARTMENT OF WATER AND POWER AND SWITCH COMMUNICATIONS GROUP LLC FOR DISASTER RECOVERY DATA CENTER SERVICES**

SUMMARY

The Department of Water and Power (DWP; Department) requests approval of a proposed resolution authorizing the execution of the First Amendment to Agreement No. 197 (Agreement) with Switch Communications Group LLC (Switch) to continue providing the Department with a disaster recovery data center. This proposed Agreement is a cooperative purchase contract, based on the United States General Services Administration (GSA) Contract No. GS-35F-0510V. Approval of this request will (i) increase the current expenditure authority from \$3,900,000 to \$5,750,000, and (ii) allow the Department to revise the current term from 36 month to 53 months expiring in June 2014, which coincides with the current expiration date on the GSA contract.

Pursuant to Charter Section 373 and the Los Angeles Administrative Code Section 10.5, for long term contracts, City Council approval is required because the cumulative length of the agreement exceeds three years. The City Attorney has approved the proposed resolution as to form and legality.

BACKGROUND

In 2009, the DWP Board of Commissioners (Board) requested that the Department establish a back-up disaster recovery data center located a safe distance away from Los Angeles to preserve critical data in the event of a natural disaster. In response, on January 10, 2010, DWP established a cooperative purchase Agreement with Switch, based on the GSA contract. Switch owns and operates a highly secured data center facility located in Las Vegas, Nevada. Continuation of the proposed Agreement provides DWP with computer space, utility security, and associated services to enable the Department, in the event of a disaster, to retrieve data that is critical for DWP to deliver safe and reliable water and power, in addition to protecting the Department's revenue.

Switch has agreed to maintain its pricing level through the proposed contract term. The term of

the Agreement is based upon the expiration date of the GSA contract. According to DWP, the GSA may renew and extend their contract at its expiration on June 8, 2014. If pricing on the future GSA contract is favorable, the Department will also submit an additional request to extend the Agreement for Mayor and Council consideration under a separate request.

DWP states that Switch has performed well under the current contract.

CONTRACT COMPLIANCE

Pursuant to Charter Section 1022, the City does not have the specialized computer facility and services covered by this Agreement and it is more feasible to have the facility and services provided by an outside contractor, Switch Communications Group LLC.

MBE/WBE/OBE SUBCONTRACTING

Due to the sensitive nature of the service, Switch performs its own security, custodial, building maintenance, and repair services. Therefore, no subcontractors will be utilized for services provided to DWP.

RECOMMENDATION

That the Mayor:

1. Approve the proposed resolution authorizing the execution of the First Amendment to Agreement No. 197 with Switch Communications Group LLC that increases the current expenditure authority from \$3,900,000 to \$5,750,000 and revises the current term from 36 months to 53 months expiring on June 8, 2014, for continuing disaster recovery data center services to the Department;
2. Return the proposed resolution to the Department for further processing, including Council consideration.

FISCAL IMPACT STATEMENT

Approval of the proposed resolution will result in an expenditure of \$1,850,000 from the Power Revenue Fund. There is no fiscal impact to the City's General Fund. The proposed Agreement complies with the Department's adopted Financial Policies.

TIME LIMIT FOR COUNCIL ACTION

Pursuant to Charter Section 373, "Long Term Contracts Approved by Council," and the Los Angeles Administrative Code Section 10.5, "Limitation and Power to Make Contracts," unless the Council takes action disapproving a contract that is longer than three years within 60 days after submission to Council, the contract shall be deemed approved.

AMENDMENT NO. 1 TO AGREEMENT NO. 197

BETWEEN
THE CITY OF LOS ANGELES DEPARTMENT OF WATER AND POWER
AND
SWITCH COMMUNICATIONS GROUP L.L.C.

This Amendment No. 1 to Agreement No. 197 is made and entered into by and between the City of Los Angeles acting by and through its Department of Water and Power (LADWP), a municipal corporation, and SWITCH COMMUNICATIONS GROUP L.L.C. (Contractor), a Nevada Limited Liability Corporation. Individually, the LADWP and Contractor are referred to under this Amendment as "Party" and collectively as the "Parties."

WITNESSETH

WHEREAS, effective January 10, 2010, the Parties entered into Agreement No. 197 (which together with all amendments thereto is hereinafter referred to as the "Agreement") for the Contractor to provide the LADWP with computer space, associated utility, telecommunication, security, and other related services for use as an out-of-state back-up disaster recovery data center; and

WHEREAS, the LADWP requires continuous use of the computer space and associated utility and services to ensure an uninterrupted operation of the out-of-state back-up disaster recovery data center, beyond expiration of Agreement No. 197 on January 10, 2013; and

WHEREAS, the LADWP proposes Amendment No. 1 to Agreement No. 197 to extend the Agreement from January 11, 2013 to the United States General Services Administration contract expiration of June 8, 2014; and

WHEREAS, the LADWP also proposes Amendment No. 1 to Agreement No. 197 to increase the current not-to-exceed amount of \$3,900,000 to a total Agreement limit not-to-exceed \$5,750,000.

NOW, THEREFORE, the Parties hereby agree to amend Agreement No. 197 as follows:

AMENDMENT

1. Agreement No. 197 is amended to increase the contract duration and funding amount. Upon execution of this Amendment by all Parties hereto,

- a. Agreement No. 197 shall terminate on June 8, 2014, unless the Agreement is amended to extend the term; and
 - b. the total contract limit of Agreement No. 197 shall be increased to a total not-to-exceed amount of \$5,750,000.
2. Except as herein amended, all other terms and conditions shall remain in full force and effect.
3. This amendment is executed in two (2) duplicate originals, each of which is deemed to be an original. This amendment consists of three (3) pages.

In **WITNESS WHEREOF**, the Parties hereto have caused this Amendment No. 1 to be executed by their duly authorized representatives on the day and year written below.

DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES BY
BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

By: _____
RONALD O. NICHOLS
General Manager

Date: _____

And: _____
BARBARA E. MOSCHOS
Secretary

APPROVED AS TO FORM AND LEGALITY
CARMEN A. TRUTANICH, CITY ATTORNEY

JAN 02 2013

BY _____
DIRK BROERSMA
DEPUTY CITY ATTORNEY

SWITCH COMMUNICATIONS GROUP L.L.C.

By: Melissa Gay EVP
Chairman of Board of Directors, President, or Vice-President

Company
Seal

and

By: Don Davis, CFO
Secretary, Assistant Secretary, or Chief Financial Officer