

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

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TO: Budget and Finance Sub-Committee

FROM: Budget and Legislative Analyst

SUBJECT: May 15, 2013 Budget and Finance Sub-Committee Meeting

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Item 1
File 13-0378

Departments:
Department of Technology
Controller's Office, and
Real Estate Division (RED)

EXECUTIVE SUMMARY

Legislative Objective

- The proposed resolution would approve a new agreement between the City and the State of California Technology Agency, Office of Technology Services, in which the Office of Technology Services provides disaster recovery services to the City. Disaster recovery services include the recovery or continuation of the City's information technology and communications infrastructure critical to the City's business functions after a natural or human-induced disaster.

Key Points

- The City's FY 2013-14 through FY 2017-18 Information and Communications Technology Plan, previously approved by the Board of Supervisors, provides for data center space outside of the City that will allow for recovery capabilities of the City's critical information technology systems. The City has an existing eight-year agreement with SunGard for disaster recovery services at an off-site facility in Philadelphia, Pennsylvania at an annual cost to the City of \$340,000, which the Department of Technology considers too distant to meet the City's needs.
- Under the proposed new agreement between the City and the Office of Technology Services for disaster recovery services, the Office of Technology Services would provide six dedicated data cabinets and communication services at their data facility located at 3101 Gold Center Drive, Rancho Cordova, California. The proposed agreement is for two-years from July 1, 2013 through June 30, 2015 with two two-year options to extend, totaling six years.

Fiscal Impacts

- The City's first year costs under the proposed new agreement are \$135,416.84, which include (a) \$130,473.84 for six dedicated data cabinets and connectivity services between the State's Disaster Recovery center and the City's systems, and (b) \$4,943 in one-time installation costs.
- The City's costs of \$135,416.84 will be prorated to the enterprise departments for the disaster recovery of the citywide systems. The enterprise departments will pay approximately 30 percent or \$40,625.05 and the General Fund will pay approximately 70 percent or \$94,791.79 of first-year costs.
- The City's total annual cost payable to the State Office of Technology Services of \$130,473.84 for the proposed new agreement is \$209,526.16 or approximately 62 percent less than the annual rent of the existing lease between the City and SunGard of \$340,000.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Under Administrative Code Section 23.27, leases and licenses with a term of more than one year or rent of more than \$5,000 per month, in which the City is the lessee, are subject to the Board of Supervisors approval, by resolution.

Background

The City has an existing eight-year agreement with SunGard for disaster recovery services that terminates on December 31, 2013. Disaster recovery services provide for the recovery or continuation of information and communication technology infrastructure critical to the City's business functions after a natural or human-induced disaster. Under the agreement, SunGard provides disaster recovery services to the City at an off-site facility in Philadelphia, Pennsylvania for an annual cost to the City of \$340,000.

The Department of Technology determined that the current agreement with SunGard does not provide sufficient safeguards to restore City information and communication technology services in a timely fashion following a natural or human-induced disaster. According to Mr. David German, Chief of Administration – Public Safety, Department of Technology, the current agreement with SunGard uses outdated disaster recovery methods and does not allow for automatic activation of City systems; and as such, it could take a week or longer to get the City's systems functioning following a disaster. Additionally, the physical distance of the current Disaster Recovery site in Philadelphia does not provide easy access to City staff for maintenance or use during an emergency. Also, in the event of a disaster, City staff may not be able to get to the current site in Philadelphia and SunGard may not be able to activate critical data services without City staff.

On April 17, 2013 the Board of Supervisors approved the City's FY 2013-14 through FY 2017-18 Information & Communication Technology (ICT) Plan. The approved ICT Plan includes the development and implementation of a comprehensive disaster recovery plan that provides for the recovery or continuation of ICT infrastructure critical to the City's business functions after a natural or human-induced disaster. Part of Phase 1 of the Systems Recovery Project for the ICT Plan's Citywide IT Disaster Readiness Planning includes a new agreement, proposed under this resolution, for data center space that is outside of the City that will allow for recovery capabilities of the City's critical information technology systems. Phase 2 of the Systems Recovery Project will establish disaster recovery capabilities for the City's integrated Human Resources, Benefits Administration, and Payroll system (eMerge), and the City's financial system (FAMIS) by creating a redundant parallel infrastructure in the remote data center and a back-up system in order to provide business continuity for eMerge and FAMIS.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a new two-year agreement from July 1, 2013 through June 30, 2015, with two two-year options to extend, between the City and the State of California

Technology Agency, Office of Technology Services, for space and communication services at a co-location data facility (Gold Camp Data Center) located at 3101 Gold Center Drive, Rancho Cordova, California.

The proposed resolution would approve the new two-year agreement, as follows:

Table 1: Summary of Proposed Agreement	
Terms	
Term	2 years (July 1, 2013 through June 30, 2015)
Platform Services - Six Customer Owned Cabinets	\$8,400 per month
Connectivity Services	<u>\$2,472.82 per month</u>
Total Payment by the City to the State Office of Technology Services	\$10,872.82 per month
One-time costs (Electrical Circuits & Connectivity)	\$4,943
Annual rent increases	None
Utilities and services	Utilities and janitorial services included in the monthly costs
Options to Extend	Includes two two-year options to extend

The agreement would provide a Disaster Recovery site for the City's major information technology systems and initially would provide disaster recovery capabilities for eMerge, and FAMIS. Additional City information technology systems are expected to migrate at a later date. According to Mr. German, the agreement with the State data facility was selected because of (a) the facility's Tier 3 service levels¹, (b) the stability of the State facility's costs over a long period, and (c) close physical location to San Francisco to allow City staff easy access for development and use during emergencies.

The monthly platform services include (a) six dedicated locked cabinets or customer-owned cabinets, (b) 24x7 Help Desk Support, (c) customer work area, (d) customer/vendor access, (e) physical security, (f) fire detection/suppression system, (g) uninterruptible power source and backup system, (h) security cameras, (i) two power cables, (j) power distribution units, (k) use of telephone for local calls only, (l) one hour of remote hands support, per cabinet, (m) engineering services, (n) utilities, and (o) janitorial services.

Connectivity services are provided through the California Government Enterprise Network (CGEN) that delivers the California State Government Wide Area Network (WAN) connectivity through vendor owned and managed equipment which allows high speed connectivity between the State DR center and City systems.

¹ A Tier 3 facility includes the following service requirements: (a) multiple independent distribution paths serving the IT equipment, (b) all IT equipment must be dual-powered and fully compatible with the topology of a site's architecture, and (c) concurrently maintainable site infrastructure with expected availability of 99.982%.

Under the proposed resolution, the Director of Property has the authority to approve, in consultation of the Director of the Department of Technology and the City Attorney, (a) two two-year extensions of the agreement at the base rate as published by State regulations, and (b) amendments to the agreement with a not-to-exceed amount of \$5,000 per month of additional occupancy costs for additional equipment or services, subject to Board of Supervisors appropriation approval. According to Mr. John Updike, Director of Property, significant increases to the base rate as published by State regulations are not anticipated due to the relative stability of the historical base rates for the State's facility. Additionally Mr. Updike states that the City expects the agreement with the State to be a long-term arrangement.

Phase 1 of the Systems Recovery Project for the FY 2013-14 through 2017-18 ICT Plan's Citywide IT Disaster Readiness Planning will be completed with the approval of this proposed resolution.

FISCAL IMPACTS

Under the proposed resolution, the City would enter into a new two-year agreement with the Office of Technology Services, in which the Office of Technology Services provides the City six dedicated and locked data cabinets at their Gold Camp Data Center and related services. Under the agreement, annual City costs are \$130,473.84 (\$10,872.82 per month), as shown in Table 2 below. Total first year City costs, including annual costs and one-time costs, are \$135,416.84, as shown in Table 2 below.

The Department of Technology will request \$135,416.84 as part of the \$2,500,000 Systems Recovery Project in their FY 2013-14 budget. According to Ms. Monique Zmuda, Deputy Controller, the City costs of \$135,416.84 will be prorated to the enterprise departments for the disaster recovery of the citywide systems. The enterprise departments will pay approximately 30 percent or \$40,625.05 and the General Fund will pay approximately 70 percent or \$94,791.79 of first-year costs.

Table 2: Total First Year Costs Payable to the State Office of Technology Services From July 1, 2013 through June 30, 2014	
City Costs	Amount
Six Dedicated Cabinets	\$100,800.00
Connectivity	<u>29,673.84</u>
Subtotal, Annual Costs	\$130,473.84
One-Time Costs	
Electrical Outlets	\$4,800
Connectivity Installation Costs	<u>143</u>
Subtotal, One-Time Costs	\$4,943
Total City Costs in FY 2013-14	\$135,416.84

According to Mr. German, the proposed new agreement with the State Office of Technology Services will overlap with the existing agreement with SunGard for the six-month period from July 1, 2013 through December 31, 2013 in order to for the City to purchase, install, and test the City's systems at the new Gold Camp Data Center location. As a result, first year costs for the six-month overlap in the two agreements are \$305,416.84 (\$170,000 for the SunGard agreement from July 1, 2013 through December 31, 2013, and \$135,416.84 for the proposed State Office of Technology Services agreement from July 1, 2013 through June 30, 2013).

Beginning in FY 2014-15, the City's total annual cost payable to the State Office of Technology Services of \$130,473.84 for the proposed new agreement is \$209,526.16 or approximately 62 percent less than the annual rent of the existing lease between the City and SunGard of \$340,000.

RECOMMENDATION

Approve the proposed resolution.