

TERRY E. BRANSTAD, GOVERNOR
KIM REYNOLDS, LT. GOVERNOR

ROBERT VON WOLFFRADT
CHIEF INFORMATION OFFICER

January 22, 2016

Director Phipps:

The Office of the Chief Information Officer requests a waiver under DAS Administrative Rule 11-118.16 (8A) of the application of DAS Administrative Rule 11-118.11(3) concerning the duration of service contracts. The rule states that "A service contract, including all optional renewals, shall not exceed a term of six years unless the state agency obtains a waiver of this provision pursuant to rule 11-118.16 (8A)." OCIO is requesting a waiver with respect to the following agreement:

Master Agreement #3776-10 between DAS and Emerson-Liebert for maintenance and support services.

Background

Emerson-Liebert provides maintenance and support services for the Hoover Data Center Uninterruptible Power Supply (UPS). The UPS that serves the Hoover Data Center provides continuous power to mission critical equipment and is essential to the operations of the enterprise data center. There is only one; it is not redundant. Because of its importance to the operation of the data center, OCIO will not allow anyone other than an experienced, factory-trained and certified technician performing preventative or restorative maintenance on the unit.

MA #3776-10 was sole sourced on January 26, 2010. Sole source was justified for the following reasons.

"Additional vendors were found that can service the Emerson-Liebert UPS systems, however, as indicated in the attached sole source letter, these vendors are NOT factory authorized and certified to provide such services. In addition, as the letter states, Emerson-Liebert provides proprietary software that is only available to Emerson-Liebert's authorized service providers. This software is necessary to provide essential service and support to the UPS units. The State's Hoover and JFHQ Data Centers are very critical to the State's activities and services. The UPS units provide power back-up to the systems so that there are no disruptions to the Data Center computer operations in the event of power surges, outages, etc."

For the past 6 years Emerson-Liebert factory certified technicians have provided all maintenance support to the Hoover Data Center UPS, including during and after the 2014 data center fire.

DAS-CPE and the OCIO Business Services team began working together in early December 2015 to execute an agreement to replace the expiring MA#3776-10. It was determined by DAS-CPE that this new contract should be competitively bid. Our two organizations have since been working together to properly identify the appropriate scope and requirements for an effective competitive bid. While both teams have worked together diligently and in good cooperation, this process has proven to be much more complex than originally envisioned.

The Hoover data center UPS maintenance requirements are a very particular and exhaustive set of duties covering a maze of intertwining hardware and software systems that may only be serviced by a small cohort of certified technicians. Our attempts to arrive at an agreeable bid document have required the close supervision of persons within OCIO with particular technical expertise. Furthermore, because these services were previously sole sourced for at least one MA term, there is no existing template from which to recreate the bid document.

It is important to note that in the past month, CPE has released one bid for life-cycle replacement of the UPS batteries that did not include maintenance for those batteries. That bid had to be cancelled because OCIO has been informed by Liebert-Emerson that they will not maintain batteries (which includes the spot replacement of batteries over their lifetime) whose chain of title and storage they cannot guarantee. The creation of a bid document that covers both the life-cycle replacement of batteries (which are currently due to be replaced) and the maintenance of those batteries and related systems and software are the aim of the bid document that is currently being created.

Justification for Waiver


Despite the best efforts of DAS-CPE and OCIO Business Services, our offices will be unable to replace the current MA before it is set to expire on January 31, 2016. Given the age of the system, and the potential cost of a sudden power loss in the Data Center, the importance of maintaining the current MA for this essential Data Center function while our contracting teams complete their work cannot be overstated. OCIO respectfully requests a 6 month extension to provide our offices ample time to arrive at an acceptable replacement to the current MA prior to its expiration.

Respectfully submitted by:


Robert von Wolffrad, CIO, Office of the CIO

1/22/2016
Date

Waiver Approval:


Janet Phipps, Director, Dept. of Administrative Services

01/22/2016
Date