



City of Santa Clara

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Agenda Report

21-200

Agenda Date: 4/6/2021

REPORT TO COUNCIL

SUBJECT

Action on an Agreement for Services with Milton Security Group, Inc. for Information Technology Support Services for Silicon Valley Power

COUNCIL PILLAR

Deliver and Enhance High Quality Efficient Services and Infrastructure

BACKGROUND

The City of Santa Clara's Electric Department, Silicon Valley Power (SVP), operates a significant and diverse technology portfolio for critical infrastructure. This portfolio must be maintained 24 hours per day 7 days per week in compliance with North American Electric Reliability Corporation (NERC) Standards as well as industry best practices for maintaining a secure and reliable network. SVP's network includes secured and encrypted radio data transmissions and fiber interconnections, designed and built into a robust cybersecurity platform protecting the operations of the Utility. In addition, SVP operates proprietary and integrated technology such as Advance Meter Infrastructure (AMI), a real-time data historian system (OSISoft PI), and Microsoft SharePoint.

SVP requires a qualified and experienced contractor to provide information technology support services for the utility's critical infrastructure in conformance with ongoing changes to technology, and to help improve performance, efficiency, and user experience to meet or exceed industry standards for reliability and quality in the delivery of power.

DISCUSSION

In August 2020, the City issued a Request for Proposals (RFP) for Information Technology Support Services, using the City's e-procurement system. A total of 393 companies viewed the RFP and the City received proposals from six companies:

- Abacus Service Corporation (Southfield, MI)
- HS Solutions, Inc. (San Ramon, CA)
- MGT of America Consulting, LLC (Sacramento, CA)
- Milton Security Group, Inc. (Brea, CA)
- Novigo Solutions, Inc. (Dallas, TX)
- Technology Crest Corporation (Gold River, CA)

The RFP was divided into separate packages for each of the following technical areas:

- Network and Security Operations Center Support Services: Provide regular monitoring and reporting of network issues and security threats for SVP's three data centers. The contractor shall

also alert SVP of any network issues or security threats and work with SVP to provide resolutions for the identified issues.

- Metering, Advanced Metering Infrastructure (AMI), and Utility Billing Support Services: Provide support for AMI including integration of meter system to customer service / billing solution, as well as ongoing management and operations of the implemented solutions. AMI includes advanced meters and radio data transmission to fiber interconnections in a manner that is encrypted and secured as well as highly refined electric load information which requires a coordinated management of both hardware and software. AMI includes hardware, software, and infrastructure to obtain electric metering data from Service Delivery Points (SDP's), read over the air, and processed by head-end systems for usage billing of electric service for SVP customers.
- OSISoft Plant Information (PI) Support Services: Provide support for OSISoft PI software. PI is a data historian application which allows SVP to record, analyze, and monitor real-time information such as power flows and pressure settings. SVP uses PI's historian and asset framework for collection of all Generation, Command and Control (SCADA), and metering data used for load balance calculations and other predictive analysis. OSISoft is also used for trading operations, back office settlements, and North American Electric Reliability Corporation (NERC) required reporting.
- SharePoint Support Services: Provide support for SVP's SharePoint software. SVP uses SharePoint as a document repository and for collaboration on department-specific items.

Proposers had the option of submitting responses for any or all the technical areas included in the RFP.

The written proposals for each technical area were evaluated against the criteria and weights published in the RFP and scored by a three-member evaluation team consisting of staff from SVP. The proposals were evaluated on proposer qualifications and experience; approach to performing the support services in their respective technical area(s); proposed staffing plan; training capabilities; and the ability to adapt to changes in technology. Cost proposals for each proposer were reviewed following the technical evaluations.

Staff recommends award of an agreement to Milton Security Group, Inc. (Milton) as the most advantageous and best value proposal per the evaluation criteria set forth in the RFP. Their proposal met or exceeded all of the RFP requirements. Additionally, as the only proposer to submit a response for each technical area, Milton will leverage their expertise in each technical area, allowing them to provide a more unified approach to performing the required services.

References were checked with Alameda Municipal Power (Alameda, CA), Peninsula Clean Energy (Redwood City, CA), Healdsburg Electric Department (Healdsburg, CA). The references checked positive.

The Agreement for Services with Milton includes provision of all labor and technical expertise to provide the required information technology support services. The proposed Agreement includes a detailed scope of services, and payment schedule.

The initial term of the proposed agreement will be five years, with five additional one-year options to extend the term at the discretion of the City. Compensation shall be paid on a time and materials basis, with annual costs for information technology support services not expected to exceed \$798,000. The agreement also includes a contingency of \$506,000 across the five-year term of the agreement for additional services. Milton's hourly rates shall be fixed for the initial five-year term of the agreement. Milton's compensation under the agreement is as follows:

Description	Total
Information Technology Support Services (Five-year total)	\$3,994,000
Additional Services	\$506,000
CONTRACT NOT TO EXCEED TOTAL	\$4,500,000

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b)(2) in that the proposed actions are agreements for the purchase of products and services that are continuing maintenance and administrative activities.

FISCAL IMPACT

The total cost of the Agreement for Services with Milton will not exceed \$4,500,000 over the five-year initial term. The maximum compensation includes a contingency of \$506,000 for additional services. Sufficient funds are available in the Fiscal Year 2020/21 Electric Utility Fund operating budget (Cybersecurity, SharePoint, and OSI Plant Information Support funding) and the Electric Utility Capital Fund (Implementation of AMI project) and funding requests will be included as appropriate in future Electric Department budgets.

The cost for the option years after the initial five-year term shall be based on renewal quotes from Milton and any requests for compensation increases must be justified by the company and are subject to approval by the City and the annual appropriations of funds.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

1. Authorize the City Manager to execute an Agreement for Services with Milton Security Group, Inc. for information technology support services, for a term starting on May 1, 2021 and ending on April 30, 2026 for total maximum amount not-to-exceed compensation of \$4,500,000, subject to the annual appropriation of funds; and

2. Authorize the City Manager to execute up to five one-year options to extend the term of the Agreement after the initial term, ending April 30, 2031, assuming all options are exercised, and subject to the annual appropriation of funds.

Reviewed by: Manuel Pineda, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Agreement for Services with Milton Security Group, Inc.