



# OPERATIONS COMMITTEE

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## Agenda Report

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**File #:** 2021-1755

**Agenda Date:** 7/28/2021

**Agenda Item No:** 6.

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**FROM:** James D. Herberg, General Manager  
Originator: Kathy Millea, Director of Engineering

**SUBJECT:**

**OUTFALL LOW FLOW PUMP STATION, CONTRACT NO. J-117B**

**GENERAL MANAGER'S RECOMMENDATION**

RECOMMENDATION:

Approve a Purchase Order to ePlus Technology Inc. for Specification No. E-2021-1253BD for IT Server Hardware for Outfall Low Flow Pump Station, Contract No. J-117B, for a total amount of \$793,882.96, plus applicable sales tax and freight.

**BACKGROUND**

Outfall Low Flow Pump Station, Contract No. J-117B, is installing an Industrial Control System (ICS) network at Plant No. 2, similar to one already installed at Plant No.1. All control system controllers, servers, and Human Machine Interfaces (HMIs) will be connected to this network, allowing Orange County Sanitation District (OC San) to abandon legacy networks and remove the HMIs from the office network as recommended by a Department of Homeland Security (DHS) audit.

**RELEVANT STANDARDS**

- Comply with California Public Contract Code Section 20103.8: Award contract to the lowest responsive, responsible bidder
- Ensure the public's money is wisely spent
- 24/7/365 treatment plant reliability

**PROBLEM**

New servers are required to support the new ICS network and migration of functions from the existing combined network. Although the construction contractor is scoped to perform the installation work, OC San procures computers and server equipment separately closer to the time of installation to avoid obsolescence.

## PROPOSED SOLUTION

Approve a Purchase Order to provide the required server equipment. This purchase order includes four standalone servers, two server clusters comprised of four servers each, licenses, rail kits, and support.

## TIMING CONCERNS

The construction contractor will need the servers, fully configured by OC San staff, in time for commissioning the network in early 2022. At present, delivery times for computer equipment are uncertain, but are expected to be much longer than usual. If the equipment is not delivered in time, network commissioning could be delayed, which could impact completion of the rest of the construction contract.

## RAMIFICATIONS OF NOT TAKING ACTION

Without purchase of the servers, OC San would not be able to complete the new ICS. Process controls systems will be less secure and more prone to security breaches and will not comply with DHS recommendations and practices.

## ADDITIONAL INFORMATION

OC San advertised for bids on May 21, 2021, and two sealed bids were received on June 22, 2021. The estimated bill of material was \$900,000. A summary of the bids follows:

<u>Bidder</u>	<u>Amount of Bid</u>
ePlus Technology Inc.	\$ 793,882.96
Nth Generation Computing, Inc.	\$ 1,586,712.00

The bids were evaluated in accordance with OC San policies and procedures. A notice was sent to all the bidders on June 28, 2021, informing them of the intent of OC San to recommend approval of a purchase order to ePlus Technology Inc.

Staff recommends approving a purchase order to the lowest responsive and responsible bidder, ePlus Technology Inc., for purchase of Server Hardware (J-117B), Specification No. E-2021-1253BD, for a total amount of \$793,882.96, plus applicable sales tax and freight.

## CEQA

The project is included in the Ocean Outfall System Rehabilitation/Outfall Low Flow Pump Station (Project No. J-117B) Mitigated Negative Declaration (MND) State Clearinghouse Number 2017071012.

## FINANCIAL CONSIDERATIONS

This request complies with the authority levels of OC San's Purchasing Ordinance. This item has been budgeted (Budget Update, Fiscal Year 2021-2022, Appendix A, Page A-8, Ocean Outfall System Rehab, Project No. J-117) and the budget is sufficient for the recommended action.

**ATTACHMENT**

*The following attachment(s) may be viewed on-line at the OC San website ([www.ocsan.gov](http://www.ocsan.gov)) with the complete agenda package:*

N/A

VP:gc