



● **Board of Directors**
Engineering, Operations, and Technology Committee

11/14/2023 Board Meeting

7-2

Subject

Authorize an agreement with General Networks Corporation in an amount not to exceed \$6,609,900 for the implementation of a cloud-based Enterprise Content Management System; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This action authorizes the implementation of an Enterprise Content Management (ECM) system (ECM Phase II) for Metropolitan. The ECM system will organize, manage, and provide easy, anytime, anywhere access to Metropolitan's digital assets and other media to promote operational efficiency and introduce automation to the review and disposition process of digital information pursuant to Metropolitan's record retention schedule.

Timing and Urgency

Currently, Metropolitan uses the Electronic Document Management System (EDMS) as its primary repository for storing and managing digital assets. EDMS was implemented in 1997, has lost vendor support, and the software and system design are outdated. A new ECM system will allow Metropolitan to more effectively and efficiently manage its digital assets to optimize operational efficiency, locate historical records, respond to requests under the California Public Records Act, significantly improve search results, and automate compliance with data classification and records retention policies. ECM Phase II has been reviewed with Metropolitan's Capital Investment Plan (CIP) prioritization criteria and is included in the Cost Efficiency and Productivity Program. ECM is also included as an Outcome of the General Manager's Strategic Priorities. Funds for this action are available within Metropolitan's capital expenditure plan for fiscal year 2023/24.

Details

Background

Effective management of digital assets is critical to optimizing Metropolitan's operational efficiency. Digital assets are electronic files, typically generated from (but not limited to) Microsoft Word, Excel, PowerPoint, photographs, or any other type of digital media or content created at Metropolitan. Currently, the storage of this content is scattered across various Metropolitan business applications and network storage devices. Some of this content is stored in the EDMS, which was implemented in 1997 and has lost vendor support. For reference purposes, the cost to implement the system in 1997 would cost \$14 million in today's dollars. Metropolitan has a responsibility to manage content for business needs and to optimize workforce and operational efficiency. A 2015 records management study conducted by a consultant specializing in industry best practices found Metropolitan's records management capabilities to be substandard. Action must be taken to upgrade Metropolitan's digital information management in line with industry best practices. Current industry practice and recommendations from the Phase I consultant propose using software packages known as ECM applications to manage digital information.

The Board-approved first phase of the ECM Program involved a district-wide effort to remediate redundant, obsolete, and trivial (R.O.T.) digital files, scan paper records to digital form, and reorganize and migrate content (now tagged with metadata). This effort was done in accordance with a newly developed classification protocol and within a newly optimized network folder structure. For reference, total costs for ECM Phase I were \$6.2 million, including the Backfile Conversion Project. Completing ECM Phase I was a necessary prerequisite

and established the foundation and progression for Phase II, the acquisition and deployment of a new ECM system.

RFP-DH-1335 was issued for ECM system implementation on January 10, 2023, to provide staff the capability to effectively manage and search records, administer workflows, and optimize enforcement of retention policies. This includes any required software licenses, implementation, and support services. Metropolitan received a total of seven (7) responsive proposals from the competitive process on March 6, 2023. The business outreach participation goal designated for this solicitation was 25 percent.

Proposals were reviewed by a team consisting of representatives from the Administrative Services Section, Information Technology Group, Engineering Services Group, External Affairs Group, and Water System Operations Group. The evaluation team scored and ranked the responsive proposals on the following criteria: firm qualifications, a record of past performance, key personnel and staff, technical approach and methodology, cost proposal, and business outreach program incentives for Small Business Enterprise (SBE) and Regional Business Enterprise (RBE). Based on initial scoring, three firms were short-listed and invited for interviews and to provide a demonstration of their proposed solution. After careful deliberation and thorough consideration, the evaluation team chose General Networks Corporation to perform the work. General Networks Corporation has 15 years of experience in delivering these types of services and is qualified as both an SBE and an RBE. This vendor has worked with other organizations, including Las Vegas Valley Water District and Southern California Edison. Based on their proposal, references, and experience, the RFP evaluation panel recommended this vendor be awarded all components of the work.

Scope of Work

The planned work includes the implementation of a cloud-based ECM system to provide anytime, anywhere access to files and information from any device across key business information systems. The ECM Solution will leverage (and integrate with) the functionality and security of Microsoft 365. This board letter is requesting authorization to perform the next steps in the implementation.

ECM goals include, but are not limited to, the following:

- Implement a cloud-based ECM system.
- Migrate and consolidate siloed information repositories.
- Significantly improve search capabilities by providing “Google” style querying.
- Integrate with key business information systems to provide federated searching capabilities and in-place management functionality.
- Design and deploy controls to achieve compliance with records and information governance policies and procedures.
- Streamline key informational processes using automated workflows and Business Process Management capabilities.

Deliverables

- Cloud-based Enterprise Content Management Solution with the following components/features:
 - Portal
 - User Interface
 - Document / Library Management
 - Information Governance and Records Management
 - Web Content Management
 - Digital Asset Management and Digital Preservation
 - Workflow and Business Process Management
 - Imaging and Document Capture
 - Integration
 - Security
- Data Migration
- Systems Integration
- Project Management and Communications
- Testing Strategy

- Training Program
- Maintenance and Support Services

Summary

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2023/24 capital expenditure plan. See **Attachment 1** for the Financial Statement.

The total project budget for ECM Phase II is \$10.325 million. It includes funds for awarding a new contract with General Networks Corporation for \$6,609,900, with \$3,658,120 for professional and technical services and \$2,951,780 for materials and supplies cost (software). Other costs included are \$2,877,000 for labor costs by Metropolitan staff, including owner costs and project management, and \$838,100 for the remaining budget.

Following implementation, Operations and Maintenance (O&M) expenses related to software maintenance/subscriptions are expected to be \$719,980 annually. With an implementation of this scope, the Information Technology Group will require an additional full-time equivalent position to perform technical support to maintain quality of service with the new system going forward. The annual cost of this new position is estimated to be \$256,855 fully burdened. It should also be expected that staff from the Administrative Services Section will be performing ongoing maintenance tasks related to the functional support that will be required. Upgraded Microsoft 365 (M365) licensing (G5) would also be beneficial since this implementation will complement other I.T. strategic initiatives. It is estimated that there would be a change in M365 licensing fees of approximately \$222,084 per year for this upgrade. Once implementation is completed, there is an expectation that O&M expenses related to Metropolitan's existing network file shares will be significantly reduced. These future ongoing O&M expenses will be included in the next budget cycle.

Project Milestones

March 2024 – Design Phase

March 2025 – Develop Phase

October 2026 – Deploy Phase

Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 52778, dated April 12, 2022, the Board appropriated a total of \$600 million for projects identified in the Capital Investment Plan for Fiscal Years 2022/23 and 2023/24.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because it involves continuing administrative activities which will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment (Section 15378(b)(2) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize an agreement with General Networks Corporation in an amount not to exceed \$6,609,900 for the implementation of a cloud-based Enterprise Content Management System.

Fiscal Impact: Expenditure of \$6,609,900 in capital funds.

Business Analysis: This option would implement a cloud-based Enterprise Content Management System to provide anytime, anywhere access to files and information from any device across key business information systems.

Option #2

Do not proceed with Enterprise Content Management Phase II at this time.

Fiscal Impact: None

Business Analysis: This option would not implement a cloud-based Enterprise Content Management System to provide anytime, anywhere access to files and information from any device across key business information systems.

Staff Recommendation

Option #1



Charlie Eckstrom
Group Manager, Information Technology

10/25/2023
Date



Adel Hagekhalil
General Manager

10/30/2023
Date

Attachment 1 – Financial Statement

Ref# it12692977

Allocated Funds for Enterprise Content Management (ECM) Phase II

	Current Board Action (November 2023)
Labor	
Studies & Investigations	\$ -
Final Design	2,877,000
Owner Costs (Program mgmt.)	-
Submittals Review & Record Drwgs	-
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	2,951,780
Incidental Expenses	
Professional/Technical Services	3,658,120
Equipment Use	-
Contracts	-
Remaining Budget	838,100
Total	<u><u>\$ 10,325,000</u></u>