



Report to the
Business Administration Committee

**Recommendation to Award a Contract
for Relocation Services, Lease and
Maintenance of the Corporate Datacenter**

January 2016



Purpose

The Business Administration Committee is requested to approve and recommend to the Board of Directors that it approve the award of a relocation services, lease and maintenance contract for the corporate datacenter to Verizon Terremark Federal Group LLC of Herndon, Virginia, in connection with the Ronald Reagan Washington National Airport (Reagan National) terminal extension. The contract includes a base term of 3.5 years, with five additional one-year options and an expiration date of June 2024. The estimated value of the contract is \$ 10,712,982



Background

- As a result of the Reagan National terminal extension, the Airports Authority's Corporate Office Building (COB) will be demolished. Consequently, the corporate datacenter needs to be relocated. The datacenter supports mission critical services for the Airports Authority.
- The corporate datacenter move will migrate the IT infrastructure to a high capacity, externally-leased datacenter in order to consolidate and standardize operations. This new infrastructure will enable a robust cybersecurity posture and provide an environment in which the Airports Authority will be able to innovate and more optimally support future customers' demands.

Background (continued)

- In 2015, the Airports Authority conducted a business study of the corporate datacenter move. As a part of this study, an options analysis was performed to assess various options to design, build and support the datacenter.
- The options fell under two general categories:
 - **Onsite:** build an on-site datacenter at either Reagan National or Dulles International Airport
 - **Lease:** lease an external datacenter through an outside vendor
- A cost comparison between the two options indicated an estimated 50% lower implementation cost when choosing to lease a datacenter.

Background (continued)

Feature	Lease Option	Onsite Option
Industry Compliance	Rigorous industry standard compliance	May lack industry standard compliance
Scalability	Highly scalable to meet future demands	Lacks scalability
Redundancy	Redundant networks and power	Lacks redundancy
Coexistence with Other Cloud Systems	Seamless coexistence	Lacks cloud capabilities
Deployment	Quick time-to-market	Extended time-to-market
Capital Investment	Less capital investment	High upfront capital investment
Operational Cost	Pay-as-you-use model	Significant cost to maintain

As a result of the data collected, the study recommended the selection of the leased datacenter option for the Airports Authority.

Discussion

- The Fairfax County contract with Verizon Terremark Federal Group LLC provides the same type of information technology infrastructure capabilities as is required by the Airports Authority. Utilizing this fully-competed contract will facilitate the corporate datacenter move and meet the Airports Authority’s requirements of a long-term technology consolidation and standardization strategy.
- In accordance with Section 1.3.1 of the Contracting Manual, the Manager, Procurement and Contracts, has determined that using the Fairfax County, Virginia competitively procured contract with Verizon Terremark Federal Group LLC is appropriate and beneficial for the Airports Authority.
- The Fairfax County contract has a specific rider clause that permits the Airports Authority to leverage the County’s previously-negotiated pricing and discounts.

Discussion (continued)

- The datacenter migration will be completed within 12 months from the time of contract award.
- The contract has an estimated budget of \$10,712,982 over the total 8.5-year contract term. This includes:
 - 12-month estimated implementation costs of \$1,812,612
 - Subsequent annual estimated maintenance costs over a 7.5-year period of up to \$1,186,716 per annum, or \$8,900,370 total



Recommendation

The Business Administration Committee is requested to approve and recommend to the Board of Directors that it approve the award of a relocation services, lease and maintenance contract for the corporate datacenter to Verizon Terremark Federal Group LLC of Herndon, Virginia in connection with the Reagan National terminal extension, in the estimated value of \$10,712,982 .



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Proposed Resolution

Awarding a Contract for Relocation Services, Leased Space and Maintenance Services for the Corporate Information Technology Datacenter

WHEREAS, The Airports Authority's Corporate Office Building (COB) will be demolished as a result of the Reagan National terminal expansion;

WHEREAS, The corporate information technology (IT) datacenter, which supports mission critical services for the Airports Authority, is now located in the COB and will need to be relocated;

WHEREAS, Based upon a recent study conducted by the Airports Authority of its corporate IT datacenter, staff has recommended that the IT datacenter be relocated to leased space in an off-airport datacenter facility where the relocated Airports Authority's IT infrastructure would be maintained by a third-party contractor;

WHEREAS, Fairfax County (County) currently has a contract with Verizon Terremark Federal Group LLC which provides the type of relocation and maintenance, as well as the type of datacenter space, encompassed within the staff's recommendation, and which includes favorable pricing terms and discounts based upon the County's competitive procurement of that contract;

WHEREAS, Section 1.3.1 of the Contracting Manual permits the Airports Authority to obtain required goods and services by utilizing a contract previously awarded by a government entity using competitive procedures;

WHEREAS, The cost for Verizon Terremark Federal Group LLC to provide space in an off-airport datacenter for the relocated corporate IT datacenter, to provide the services necessary to relocate the IT datacenter from its current COB to the off-airport datacenter, and thereafter to maintain the relocated IT datacenter is estimated at \$10,713,972 over the total 8.5-year contract term;

WHEREAS, The corporate IT datacenter relocation will be completed within 12 months from the time of contract award;

WHEREAS, The Business Administration Committee has reviewed the staff recommendation regarding the relocation of the corporate IT datacenter and the terms of the County contract with Verizon Terremark Federal Group LLC, and

has recommended that the Board of Directors approve the Airports Authority's entering a contract with Verizon Terremark Federal Group LLC to implement the staff's recommendation; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a contract with Verizon Terremark Federal Group consistent with the terms presented to the Business Administration Committee at its January 20, 2016 meeting.

*For Consideration by the Business Administration Committee
and Board of Directors on January 20, 2016*