COMMISSION AGENDA

Item No: 7D
Meeting: 10/21/21

DATE: October 21, 2021

TO: Port Commission

FROM: Mark Miller, IT Director
Sponsor: Eric Johnson, Executive Director

SUBJECT: Request authorization for Data Center Disaster Recovery Warm Site Implementation.

A. ACTION REQUESTED

Request authorization to proceed with a Data Center Disaster Recovery Warm Site Implementation including a five-year contract with TierPoint at a total five-year cost of $925,000.

B. BACKGROUND

During the IT Disaster Recovery Plan review in late 2020, it was identified the Port does not have a Data Center Disaster Recovery alternative site. Currently, the Port of Tacoma and NWSA mission critical applications are based in a single data center in downtown Tacoma. While many Port application are in the Cloud, they can only be accessed from the Port facilities via the Tacoma data center internet.

If the Tacoma data center is destroyed due to an earthquake or terror event, the Port of Tacoma and NWSA operations would be disrupted due to no access to critical financial, operations and security systems. In the event of a disaster, it is estimated to take 5-7 months to procure an alternative data center, internet access and hardware and then build out the new data center.

The IT Management team presented this risk and alternatives to the Port of Tacoma and NWSA executives in the February 2021 IT Steering Committee. The IT Steering Committee supported the IT Management recommendation and approved conducting additional planning for a Data Center Disaster Recovery Warm Site.

In Q2, 2021, the IT Team issued an RFI for a Data Center Disaster Recovery Warm Site and received 8 responses. The Data Center Disaster Recovery Warm Site cost estimates were refined based on the 3 Top RFI responses.

The Data Center Disaster Recovery Warm Site recommendation was presented to the Port of Tacoma Commission on July 15, 2021. The Commission approved the request to conduct a competitive RFP process.

The RFP was issued in August 2021 and five companies responded. TierPoint, with a data center based in Spokane, WA, was the selected RFP vendor.

C. FINANCIAL SUMMARY/SOURCE OF FUNDS

The table below reflects the finalized cost estimates based on the selected RFP response from TierPoint and budgetary quotes from hardware and software vendors.

	10/6/21 Updated Cost Estimate based on RFP	7/15/21 Cost Estimate based on RFI
One-time Costs (Hardware and Software procurement)	$319,000	$250,000 (+/- 20%)
Ongoing Annual Costs (Data Center Lease, Power, Network, Hardware and Software Maintenance)	$107,000	$220,000 (+/- 20%)
Year 1 Investment	$426,000	$470,000 (+/- 20%)
5-Year Investment	$925,000	$1,350,000 (+/- 20%)

The funding for this project will be from Port operations. The department operating budget includes all costs, except hardware and software, which will be expensed as they are incurred. The 2022-2026 Capital Investment Plan includes the cost for the hardware and software. These costs will be capitalized and depreciated over an estimated useful life of 5 years resulting in annual depreciation expense of $63,800.

D. ECONOMIC INVESTMENT / JOB CREATION

The selected RFP respondent TierPoint provides data center co-location facilities outside the Puget Sound Region in Spokane, WA that would result economic benefit for Washington State.

E. ALTERNATIVES CONSIDERED AND THEIR IMPLICATIONS

Alternative 1: Current State
Continue to live with current state risk of an earthquake or terror disaster that would impact Port of Tacoma and NWSA operations for 5-7 months

Alternative 2: Establish a Data Center Disaster Recovery Cold Site (Option 1)
Establish a leased data center space, rack, and internet connectivity. This would require 2-4 months to procure equipment and restore applications to enable Port operations.

Alternative 3: Establish a Data Center Disaster Recovery Warm Site (Option 2)
Establish a leased data center space, rack, servers, storage and internet connectivity. This would require 1 - 6 business days restore critical applications to enable Port operations.

Alternative 4: Establish a Data Center Disaster Recovery Hot Site (Option 3)
Establish a leased data center space, rack, servers, storage and internet connectivity with full duplication of critical applications and data. This would require 8-16 hours to restore applications to enable Port operations.

F. NEXT STEPS

Upon authorization to proceed with signing a Data Center Disaster Recovery Warm Site 5-year

contract with the selected vendor TierPoint, initiate the process of purchasing required hardware and planning the implementation process with TierPoint.