

Justification for a Contract Amendment to Contract 2012-01: Hosting and Tracking System Services for the Compliance Instrument Tracking System Service (CITSS)

December 9, 2013

Introduction

Most of the administrative support provided by WCI, Inc. is highly technical or specialized and has been developed through the use of contractors. In May 2012, WCI, Inc. contracted with SRA International, Inc. (SRA) to further develop the Compliance Instrument Tracking System Service (CITSS) and to provide the web hosting for its operation (Contract 2012-01). At its December 2012 meeting, the Board approved an amendment to the SRA contract to continue CITSS development through the end of 2013 (Contract Amendment 2012-01-001).

WCI, Inc. proposes to extend the term and budget of its contract with SRA in order to provide ongoing tracking system services (application development, enhancements, operations and maintenance) and hosting services for the CITSS through December 31, 2015.

Description of Services

The services being procured through the proposed amendment are for ongoing development and maintenance of CITSS, and hosting services, and accommodate continued administrative support requested by the Participating Jurisdictions:

- **Application Development and Support** includes continued development and enhancements to CITSS as required to meet the Participating Jurisdictions' needs, with a focus in 2014-2015 on the following CITSS modules: Jurisdiction Management, User Registration, Entities/Accounts, Compliance Instrument Management, Instrument Transfer, Auction Improvements and Integration, Market Monitoring Integration, Offset Project Tracking, Emissions Compliance, Data Reporting, Jurisdiction Functionality, and Application Security. The proposed modification extends the term and increases the budget of the existing agreement with SRA.
- **Hosting Services** include the hardware and software necessary to host the CITSS application and ancillary services and technology necessary to ensure CITSS is available at specified levels of service. These hosting services have been provided as part of the existing contract.

Procurement Approach

The competitive procurement process that resulted in the initial selection of SRA to provide tracking system services has been described previously and approved by the WCI, Inc. Board of Directors.

SRA has demonstrated its qualifications to provide the services described above through its performance under the existing WCI, Inc. and previous California contracts.

The tracking system services need to continue uninterrupted and on schedule in order to accommodate upcoming program milestones, including implementing a linked cap-and-trade system and joint auction activities.

A contract modification is being proposed as the procurement vehicle to retain these required services. Continuing to work with the existing service provider during 2014-2015 will best enable WCI, Inc. to maintain the stability of the program while developing the capability to implement a linked cap-and-trade system. This approach also enables the jurisdictions and WCI, Inc. to take advantage of the significant investments that have already been made in the programmatic infrastructure.

WCI, Inc. and Participating Jurisdiction staff approached SRA to confirm their interest in and availability to continue this work. The contract amendment with SRA was developed by WCI, Inc. staff based on technical requirements provided by the Participating Jurisdictions. SRA finalized the attached technical and cost proposal, which has been reviewed and agreed to by WCI, Inc. and jurisdictional staff.

No additional steps have been taken to tender ongoing development and maintenance of CITSS, and hosting services.

Justification for a Non-Competitive Procurement

WCI, Inc.'s Procurement Policy provides for non-competitive procurement in certain instances. In this case, the non-competitive procurement is justified based on the following two allowable exemptions:

Contracts for services provided by contractors that have been selected by a federal, state, city, county, provincial, or other regulatory entity, usually through a competitive process.

Contract amendments to extend the original term for services and to add additional funding to a contract.

CONTRACT AMENDMENT: 2012-01-002

Agreement number 2012-01 between SRA International Inc. (SRA or Contractor) and Western Climate Initiative, Inc. (WCI, Inc.), which was executed by the parties on May 8, 2012 and amended on December 20, 2012 (Amendment 2012-01-001), is hereby further amended as follows:

SUMMARY OF CHANGES

Amendment Number	001
Effective Date for Amendment:	January 1, 2014
Current Agreement Amount:	██████████
Changes to the Agreement Amount:	Net increase of ██████████
Amended Maximum Agreement Amount:	██████████
Current Agreement Term:	Beginning on May 9, 2012 and ending on December 31, 2013.
Agreement Term as Amended:	Beginning on May 9, 2012 and ending on December 31, 2015.
Extension of Tasks:	CITSS application development, support, and web hosting

PURPOSE OF THIS AMENDMENT

- 1) Extend the term and budget for SRA to provide tracking system services (application development, enhancements, operations and maintenance) and hosting services for the Compliance Instrument Tracking System Service (CITSS) through December 31, 2015.

SPECIFIC TERMS AND CONDITIONS WHICH CONSTITUTE THE AMENDMENT

- 1) The agreement referenced above is modified as follows:
 - a. Term: Line 2 of the Standard Agreement cover page is changed to **"Forty-four (44) months, beginning on May 9, 2012 and ending on December 31, 2015."**
 - b. Maximum amount of agreement: Line 3 of the Standard Agreement cover page is changed to "██████████."
 - c. Attachment B, page B-2 is modified as follows: "Not-to-Exceed T&M budget for this Agreement is ██████████ See Attachment G (Contractor's Cost Proposal), ~~and~~ Attachment H (Contractors Cost Proposal for Amendment 2012-01-001), and Attachment I (Contractors Cost Proposal for Amendment 2012-01-002) for invoice basis."
 - d. Attachment I, Contractors Cost Proposal for Amendment 2012-01-002, is appended to the existing agreement following Appendix H.

EXPLANATION OF CHANGES

- 1) SRA will continue to provide CITSS application development and support for an additional twenty-four months (January 1, 2014 - December 31, 2015):
 - a. Tracking system services provided in 2014-15 will focus on the following areas as detailed within the scope of the work plan (as called for in Attachment A-1, Scope of Work for CITSS Application Development and Support) submitted by SRA in March 2013:
 - i. Project Administration for the tracking system services
 - ii. Documentation
 - iii. Tracking System application development and enhancements for the following modules:
 1. Jurisdiction Management
 2. User Registration
 3. Entities/Accounts
 4. Compliance Instrument Management
 5. Instrument Transfer
 6. Auction Improvements and Integration
 7. Market Monitoring Integration
 8. Offset Project Tracking
 9. Emissions Compliance
 10. Data Reporting
 11. Jurisdiction Functionality
 12. Application Security
 - iv. Tracking System operations and maintenance
- 2) SRA will continue to provide hosting services for an additional twenty-four months (January 1, 2014 - December 31, 2015).
- 3) Attachment I, Contractors Cost Proposal for Amendment 2012-01-002, details the costs for the extension of these application development, support and web hosting tasks.
 - a. Note: The budget total for the level of effort associated with the 2014-15 tasks totals [REDACTED]. At the time of this amendment, there is expected to be a balance of [REDACTED] remaining in the current contract at the end of 2013. This balance will be applied to the costs associated with CITSS services for 2014-2015.

APPROVALS

This document and any attachments described herein constitute an amendment to the above numbered agreement. All provisions of that contract, except those which are explicitly changed by this amendment, shall remain in full force and effect.

By signing, the Contractor and WCI, Inc. do hereby accept and approve this amendment.

SRA International Inc.

Signature on File
Authorized Signature

Catherine Garris
Name

December 16, 2013
Date

Contracts Manager
Title

Western Climate Initiative, Inc.

Signature on File
Authorized Signature

Patrick Cummins
Name

December 13, 2013
Date

Executive Director
Title

COST PROPOSAL

HOSTING AND TRACKING SYSTEM SERVICES FOR THE COMPLIANCE INSTRUMENT TRACKING SYSTEM SERVICE (CITSS)

Submitted to:

Western Climate Initiative, Incorporated (WCI, Inc.)

Submitted by:



SRA International, Inc.
4300 Fair Lakes Court
Fairfax, Virginia 22033

October 31, 2013

NOTICE OF RESTRICTIONS

This proposal or quotation includes data that shall not be disclosed outside of WCI, Inc. and shall not be duplicated, used, or disclosed -- in whole or in part— for any purpose other than to evaluate this proposal or quotation. If, however, a contract is awarded to SRA International, Inc. as a result of— or in connection with— the submission of this data, WCI, Inc. shall have the right to duplicate, use, or disclose the data to the extent provided in the resultant contract. This restriction does not limit the WCI, Inc.'s right to use information contained in this data if it is obtained from another legitimate source without restriction. The data subject to this restriction are contained in all sheets marked with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

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1 INTRODUCTION

SRA International, Inc. (SRA) is pleased to provide this proposal for the extension of tracking system services and hosting services for the Compliance Instrument Tracking System Service (CITSS). This proposal covers work defined in coordination with WCI, Inc. and participating jurisdiction staff.

2 APPROACH

SRA staff worked with WCI, Inc. and participating jurisdiction staff to understand program milestones, functional needs, desired release timelines, and budget constraints for 2014 and 2015. Based on this information, SRA defined the specific hosting and tracking system requirements, estimated rough levels of effort, and assembled several candidate release plans—balancing trade-offs between scope, time, and cost.. The release and staffing plans were reviewed with WCI, Inc. and participating jurisdictions for feedback before agreeing on the current approach described further in 3.1.3 below.

The features currently anticipated to be included in Release 4 and Release 5 are listed in Appendix A. Consistent with how CITSS has been developed and maintained from the beginning, features will be regularly reviewed and reprioritized to ensure that development remains aligned with changing business needs. The requirements and release plans will be updated regularly to reflect these changes. The full scope of hosting and tracking system services have been defined as part of the current contract and remain the same for this extension.

3 COST PROPOSAL

This section provides SRA's Time and Materials cost proposal for work as discussed in this proposal. All prices are quoted in US Dollars and are exclusive of GST. Payment terms are NET30 with a 10% withholding on SRA labor. SRA will separately invoice for the withheld amount before the beginning of any six (6) month period of work (to be invoiced at the end of June and December), or the earlier termination of this Agreement.

The following sections describe the proposed tasks, timeframe, and assumptions.

3.1 Overview

3.1.1 Tracking System Services

Tracking system services will focus on the following areas within the scope of the work plan submitted by SRA in March 2013:

- Project Administration for the tracking system services
- Documentation
- Tracking System application development and enhancements for the following modules:
 - Jurisdiction Management
 - User Registration
 - Entities/Accounts
 - Compliance Instrument Management
 - Instrument Transfer
 - Auction Improvements and Integration
 - Market Monitoring Integration
 - Offset Project Tracking
 - Emissions Compliance

- Data Reporting
 - Jurisdiction Functionality
 - Application Security
- Tracking System operations and maintenance

3.1.2 Hosting

Hosting services will continue to provide the following:

- Project Administration for hosting services
- Monitor the application and backup jobs
- Maintain the hosting environment under an ongoing operations and continual improvement approach to improve or update the use of the cloud hosting provider, security services, logging services, and the technology used to execute the build

3.1.3 Team Size and Costs

Details have been removed from the public document for business confidentiality and competitiveness reasons.

3.2 Timeframe

3.2.1 Project Timeframe

SRA has assumed a contract extension start date of January 1, 2014 and an end date of December 31, 2015 for tracking system services and hosting support.

3.2.2 Production Releases of CITSS

SRA has assumed that this work will include, at a minimum, two production releases of CITSS per year. The specific content and timing of these releases will be coordinated between WCI, Inc., participating jurisdictions and SRA.

3.3 Assumptions and Risks

Details have been removed from the public document for business confidentiality and competitiveness reasons.

3.4 Cost Detail Sheet

Cost details have been removed from the public document for business confidentiality and competitiveness reasons.

TABLE 1 CONTRACTOR'S COST DETAIL SHEET (U.S. Dollars, \$) Includes all costs including subcontractors					
	Costs				
	Personnel Costs				Total
	2014 Hours	2015 Hours	2014-2015 Rate (\$/hour)		
Tracking System Services (Labor)					
Program Manager					
Project Manager 3					
Project Manager 1					
Software Engineer 4					
Software Engineer 3					
Software Engineer 2					
Software Engineer 1					
Business Systems Analyst 1					
Business Systems Analyst 2					
QA Specialist					
Project Administration Analyst 2					
	Tracking System Services (Labor) Total				
Tracking System Services (ODCs)	2014 Unit	2015 Unit	Rate		Total
Atlassian Support					
Development and Testing Environments					
Encryption Software Maintenance					
Escrow					
Operational Support Tracking System					
Travel					
Hosting Services (ODCs)					
Atlassian Support					
Hosting Environment					
Alert Logic					
Penetration Testing					
Log Management Service					
Mobile Phones					

TABLE 1 CONTRACTOR'S COST DETAIL SHEET (U.S. Dollars, \$) Includes all costs including subcontractors				
	Tracking System Services (ODCs) and Hosting Services (ODCs) Total			
		Total Estimated Cost		

3.5 Labor Categories

Details have been removed from the public document for business confidentiality and competitiveness reasons.

4 ADDITIONAL INFORMATION

SRA will continue using a cloud hosting environment for the development environment, testing environment, UAT environment, training environment, and load testing environment. SRA will configure, deploy and enhance the SRA application in the cloud environment.

Remaining details have been removed from the public document for business confidentiality and competitiveness reasons.

APPENDIX A: RELEASE CONTENTS

Details have been removed from the public document due to the sensitive nature of the potential release contents..