

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: March 14, 2012

Board Item: VI-B-2

**IT Disaster Recovery Project Spending**

Action by Consent                       Action                       Information

Robust IT Disaster Recovery capabilities are imperative in order to resume business operations in the event of a disaster or an incident that damages or interrupts usability of Denver Water’s information technology based systems. The IT Disaster Recovery Project began in earnest in 2011.

Based on the determination that Denver Water’s IT DR capabilities must provide timely recovery of all production information systems and an appropriate IT DR implementation strategy should be based on full production data replication and alternate hosting capabilities, the resulting IT DR Implementation Plan calls for:

- Implementation of production data replication in 2012
- Implementation of alternate production system hosting capabilities in 2013
- Testing and Operational Readiness of disaster recovery fail-over capabilities in 2014

Overall IT Disaster Recovery Implementation Project expenses are estimated at \$6,766,000 as follows:

Category	Budget	Expenses to Date
Hardware	\$2,202,000	\$792,092
Software	\$1,083,000	\$154,691
Services	\$240,000	\$71,622
Employee payroll	\$574,500	\$15,961
Contract Labor	\$1,660,500	\$190,872
Contingency (15%)	\$1,006,000	\$0
<b>Total:</b>	<b>\$6,766,000</b>	<b>\$1,225,238</b>

Year	Budget	Expenses to Date
2011	\$689,000	\$606,377
2012	\$2,128,000	\$618,861
2013	\$3,237,000	\$0
2014	\$712,000	\$0
<b>Total:</b>	<b>\$6,766,000</b>	<b>\$1,225,238</b>

Procurement of individual IT DR project components (hardware, software and labor) will follow Denver Water’s Executive Guidelines to ensure competitive process and best-value pricing.

Once implemented, ongoing operating, maintenance and support (OMS) costs for the IT DR solution are estimated at \$1,317,400/year.

<b>OMS Cost Category</b>	<b>Estimated Annual Cost *</b>
Hardware maintenance, support and replacement 4 - 8 year replacement cycles depending on type of hardware	\$556,650
Software maintenance and support	\$190,858
Telecommunication services	\$478,560
Employee payroll	\$91,200
<b>Total:</b>	<b>\$1,317,400</b>

\* Annual OMS costs are represented in 2012 dollars and reflect current data storage, hosting and telecommunications capacity requirements.

The purpose of the Informational Board item is to provide insights regarding scope, schedule and budget for the IT Disaster Recovery solution and to provide the Board with appropriate context in advance of upcoming contract and purchase order requests related to the IT Disaster Recovery Implementation Project.

**Approvals:**

Respectfully submitted,



Chris Dermody,  
Director of Information Technology



James S. Lochhead, CEO/Manager

Attachment: