

REQUEST FOR PROPOSALS
FOR
Data Center Colocation Services

Long Island Power Authority
333 Earle Ovington Boulevard
Uniondale, New York 11553



January 2019

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The Long Island Power Authority (the “Authority”) is soliciting proposals through this Request for Proposals (“RFP”) from experienced and qualified firms to provide Data Center Colocation Services.

I. CALENDAR OF EVENTS

Issuance of RFP	January 28, 2019
Deadline for Questions	February 4, 2019, Noon
Answers posted – Website	February 11, 2019, Noon
Proposal Due Date	February 25, 2019, 3PM

II. CONTACT INFORMATION

Pursuant to State Finance Law sections 139-j and 139-k, this RFP includes and imposes certain restrictions on communications between LIPA and Proposers during the procurement process. A proposer is restricted from making “Contacts” (i.e., any oral, written, or electronic communications which a reasonable person would infer as an attempt to influence the award, denial, or amendment of a contract) from issuance of the RFP through final award and approval of the resulting Procurement Contract by LIPA and the Office of the State Comptroller (“restricted period”) to any LIPA staff or Trustee (or consultants) other than as designated herein, unless it is a contact that is included among certain statutory exemptions as set forth in State Finance Law section 139-j(3) (a). LIPA’s designated contacts for this RFP, as of the date hereof, are Mujib Lhodi, Chief Information Officer, (516) 719-9868 and Maria Gomes, Director of Procurement, (516) 719-9235. LIPA staff and Trustees (and consultants) are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Proposer pursuant to statutory provisions. Certain findings of non-responsibility can result in rejection for contract award, and in the event of two findings within a four (4) year period, the Proposer is debarred from obtaining governmental Procurement Contracts. Further information about these requirements can be found in the Authority’s Lobbying Guidelines Regarding Procurements, Rules, Regulations or Ratemaking which is posted on the web site for this RFP.

Questions regarding this RFP should be sent to Procurement1@lipower.org, on or before February 4, 2019, noon time. Responses to any questions received will be posted on LIPA’s web site at

<https://www.lipower.org/about-us/proposalsbids/> by February 11, 2019, Noon time. No other communication of questions and answers will be made.

Other than as provided for in this RFP, any contact with LIPA Board members, staff or LIPA consultants during the pendency of this RFP may be grounds for disqualification from the RFP process.

Five (5) hard copies of your proposal and a flash drive (properly labeled) of your technical proposal in either Microsoft Word or PDF and two copies of the price proposal provided in Excel are due no later than **3:00 p.m. on February 25, 2019**, in a sealed package or packages. All proposals should be delivered to:

Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, NY 11553
Attention: Maria Gomes

Proposals received after the Proposal Due Date will not be considered, nor will faxed or e-mailed proposals, whenever received. **Failure to submit a proposal on time will not be waived by LIPA under any circumstances (e.g., traffic conditions, mail or courier failure, etc.).**

LIPA will not provide reimbursement for any costs or expenses incurred in connection with this RFP, including the costs of preparing and submitting a response, providing any additional information or attending an interview. All material that is submitted in response to this RFP will become the sole property of LIPA. LIPA expressly reserves the right to utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights which must be clearly noted in the proposal submitted in response to the RFP.

Interviews of the top-qualifying firms may be conducted at LIPA's discretion on a specific day or days to be disclosed later in the RFP process. All top-qualifying Proposers will be notified of the exact interview date(s) in advance.

III. CONTRACT PERIOD

The term of the contract(s) will be for a period of five (5) years from the award date. The Authority at any time, in its sole discretion, may terminate the contract, or postpone or delay all or any part of the contract upon written notice.

IV. BACKGROUND

The Authority, acting through its wholly-owned subsidiary LILCO d/b/a LIPA, provides electric service in its service area which includes two counties on Long Island — Suffolk County and Nassau County — and a portion of the Borough of Queens of The City of New York known as the Rockaways (“the Service Area”). The Authority is a corporate municipal instrumentality and a political subdivision of the State of New York (the “State”), exercising essential governmental and public powers. The Authority was created by the State Legislature under and pursuant to the Long Island Power Authority Act, being Title 1-A of Article 5 (§ 1020 et seq.) of the Public Authorities Law of the State of New York, as amended (the “Act”), including as amended by certain provisions of the LIPA Reform Act (defined below). The Authority is comprised of itself, LILCO d/b/a LIPA, (a wholly owned subsidiary of the Authority) and provides management support to the Utility Debt Securitization Authority (“UDSA”) (a special purpose corporate municipal instrumentality of the State that has a governing body separate from that of the Authority). LILCO d/b/a LIPA is a stock corporation formed and existing under the Business Corporation Law of the State of New York and pursuant to LILCO d/b/a LIPA’s organizational documents, the Authority conducts and manages LILCO d/b/a LIPA’s business and affairs. Accordingly, LILCO d/b/a LIPA is controlled by the Authority, which is governed by a Board of Trustees (the “Trustees”).

The Authority assumed responsibility as the retail supplier of electric service in the Service Area (with the exception of the villages of Freeport, Greenport and Rockville Centre, each of which has an individually owned municipal electric system) on May 28, 1998 by acquiring the Long Island Lighting Company (“LILCO”) through a merger (the “LIPA/LILCO Merger”). Through the LIPA/LILCO Merger, LILCO became a wholly-owned subsidiary of the Authority and it has thereafter done business under the name Long Island Lighting Company d/b/a LIPA.

To assist LIPA in providing electric service in the Service Area, the Authority and LILCO d/b/a LIPA have generally entered into operating agreements to provide LIPA with the operating personnel and a significant portion of the power supply resources necessary to continue to provide electric service in the Service Area. On January 1, 2014, the Authority transitioned to a new business model first adopted by the Board in late 2011 and more recently modified in response to the requirements of the LIPA Reform Act. The Authority’s principal operating agreements now include:

T&D System management including, among other functions, the day-to-day operation and maintenance, customer service, billing and collection and meter reading:

As of January 1, 2014, a wholly-owned subsidiary of Public Service Enterprise Group Incorporated (“PSEG”) dedicated to LIPA’s operations (“PSEG LI”) is the service provider pursuant to a twelve-year Amended and Restated Operations Services Agreement (the “Amended OSA”).

Power Supply Management (including capacity and related energy) from the existing oil and gas-fired generating plants on Long Island owned by a subsidiary of National Grid plc (“GENCO”) that were formerly owned by LILCO (“GENCO Generating Facilities”):

Since the LIPA/LILCO Merger, GENCO has furnished electric capacity and energy from GENCO Generating Facilities to LIPA. The initial Power Supply Agreement (“PSA”) between LILCO d/b/a LIPA and GENCO expired on May 28, 2013. In 2012, LILCO d/b/a LIPA and GENCO entered into a new PSA that commenced in May 2013 for a term of 15 years, which provides for LIPA’s purchase of capacity and related energy from the GENCO facilities.

Energy and Fuel Management:

Pursuant to the Amended OSA and in furtherance of the objectives of the LIPA Reform Act, beginning on January 1, 2015, affiliates of PSEG, PSEG Services and PSEG Energy Resource & Trade (“PSEG ER&T”) have entered into agreements with LIPA to provide all energy and fuel management services.

The LIPA Reform Act

The LIPA Reform Act, enacted on July 29, 2013, brought greater accountability and transparency to the delivery of electricity in LIPA’s Service Area by: (i) authorizing the reformulation of the relationship between LIPA and PSEG LI such that PSEG LI assumes responsibility related to utility operations in the Service Area; (ii) creating a new Long Island-based office in the Department of Public Service (“DPS”), which is the staff arm of the New York Public Service Commission; and (iii) authorizing the retirement of a portion of the Authority’s outstanding debt from the proceeds of the UDSA’s Bonds at lower interest rates than existing indebtedness and capping or eliminating certain categories of payments in lieu of taxes (“PILOT”), with savings passed onto ratepayers.

Among other things, the LIPA Reform Act addressed a variety of matters relating to the restructuring of the LIPA. It established a new office within DPS to review and make recommendations to the Authority and/or PSEG LI related to core utility functions including capital expenditures, the methods employed by PSEG LI for safe and adequate service and the emergency response plans of PSEG LI. The LIPA Reform Act gave DPS the responsibility to investigate and mediate customer complaints. Upon notification to the Authority, DPS may undertake a comprehensive and regular management and operations audit.

V. SCOPE OF SERVICES

LIPA is seeking Data Center Colocation providers to provide hosting of LIPA server and network equipment. All equipment will be maintained by LIPA. The colocation site must be within a 30-mile radius from Uniondale, NY 11553.

Section 1: Rack Space/Power

1.1. Physical requirements:

- (2) Dedicated standard server racks

1.2. Power requirements:

At least (1) 20 Amp 110v electrical circuit and at least (1) 30amp, 208volt electrical circuits.

2.1. Network Services

- Symmetrical 1TB internet connectivity with (2) network drops
- At least 16 Public IP addresses

Section 3. Facilities

3.1. Environmental Services

The host will have security procedures in place that restrict access to LIPA's equipment to only those authorized by LIPA. Facility must be open to LIPA personnel 24x7, 365 days per year.

Section 4. Service Availability

The host will guarantee network availability of 99.999%.

- 4.1. The host will notify LIPA of all outage events via email to designated LIPA contacts.

VI. THRESHOLD CRITERIA

Only Proposals submitted by Proposers who meet the following minimum threshold requirement will be considered by the Authority:

- 1- Meets Tier 4 data center specifications for physical security, power redundancy, cooling, network availability, latency, and packet loss.
- 2- The proposed colocation site must be located with a 30-mile radius from Uniondale, NY 11553.

VII. PROPOSAL REQUIREMENTS

The following is a list of the information to be provided by the Proposer for the services sought. Failure to submit all of the information required will be a negative factor in evaluation of a proposal any may result in rejection of the proposal. Please provide the information in the same order using corresponding numbers as presented.

In setting forth its qualifications, firm shall provide, in concise but adequate detail, the information sought below. Responses shall be prepared on 8 ½ x 11-inch paper using at least 12- point type with standard margins. **Page limits have been provided in the captions for each section of the Proposers proposal.**

Proposers shall indicate in their proposals what information, if any, is proprietary and confidential. Proposers are hereby advised that LIPA is subject to the New York State Freedom of Information Law (“FOIL”). Material marked “Confidential and Proprietary” will be treated as such to the extent consistent with the obligations under FOIL, other applicable law, regulation or legal process, and will not be disclosed by the LIPA except as necessary for the evaluation of proposals.

A. Cover Letter (1 page)

A cover letter, which shall be considered an integral part of the proposal, shall be signed by the individual(s) authorized to bind the Proposer contractually. In signing the cover letter, the Proposer agrees to be bound by the terms of this RFP and its submission hereunder for 180 days from the stated proposal due date. The cover letter shall also contain a statement that the Proposer’s work for the Authority will not create any conflict of interest. If the Proposer believes that a conflict of interest may arise, the nature of the conflict should be described - see Section VII.B.9.

B. General Information (6 pages)

1. Provide a description of your firm and its ownership structure. Include the date your firm was established and the address and telephone number of the office from which you will provide services from. Provide a description of the facilities and staff at this location, and provide the total number of staff that works for your firm. Describe your firm’s qualifications and experience relevant to the requirements of the RFP scope of services.
2. Provide the name, title, address and telephone number for a minimum of three references for your firm. Identify the work performed for each reference and the category of personnel your firm provided.

E. Other (No Page Limit)

1. Provide a copy of your firm’s affirmative action policy and submit the information requested in the Diversity Questionnaire posted on the RFP web site. These may be provided in an appendix.

2. Proposals must clearly indicate acceptance of the standard contract form or set forth all proposed revisions to the standard contract form, with an accompanying statement indicating why each revision is necessary and why compliance with the standard contract terms could not be reflected within the fee structure of the Cost Proposal. Proposed revisions to the standard contract form will be considered by the Selection Committee in determining the relative ability of the proposing firm to render the requested services and may result in a finding that a proposal is non-responsive. No revisions to the standard contract form shall be accepted unless set forth in a proposal. Proposals will be deemed non-responsive if they fail to adhere to these requirements.

E. Please provide separate pricing in the format of the table below:

Item #	Description	Quantity	Unit Price	Total
1	Rack Install fee	2		
2	Single Phase 20- amp 208 -volt Circuit startup	1		
3	Single Phase 30 -amp 208- volt Circuit startup	1		
	Total non- recurring fees			
4	Monthly Recurring Fees			
	Data Center Full Rack	2		
	Switch Ports- 2XGB ethernet on Host's switch	2		
	Single phase primary and redundant circuit 20 amp 208 volt	1		
	Single phase primary and redundant circuit 30 amp 208 volt	1		
5	Network Services			
	Bandwidth up to 1TB	1		
	IP addresses /28- 16 public addresses	1		
	Total monthly recurring fees			

Failure to provide your cost proposal as requested above may be grounds for determining a proposal to be non-responsive. Please remember to provide two copies of the Cost Proposal Excel Sheet in a separate sealed envelope from the Technical Proposal. It may be delivered in the same shipping package.

Any contract(s) awarded pursuant to this RFP may have a Not-to-Exceed dollar cap as determined by LIPA, which may not be exceeded without LIPA's prior written authorization.

In addition, firms will be required to track their spending and provide LIPA with written notice when they have incurred fees and expenses totaling 75% of any Not-to-exceed dollar cap.

NOTE: The Authority reserves the right to negotiate the structure and amount of compensation; however, all proposers must submit a proposal in the fixed monthly retainer format required above.

VIII. EVALUATION AND SELECTION

A. Evaluation Criteria

A Selection Committee consisting of LIPA staff will evaluate the proposals. This Selection Committee will make its recommendations to the LIPA Board of Trustees for final approval. The Selection Committee will consider the following factors, not necessarily listed in the order of importance:

1. The firm's demonstrated record of experience as a Colocation Services provider
2. Overall organization, completeness, and quality of proposal, including cohesiveness, conciseness, and clarity of response.
3. The firm's overall diversity and commitment to equal opportunity programs,
4. The fee schedule and total cost of services to the Authority.
5. Interviews, if conducted.

The non-cost criteria listed above will be given more consideration than the cost criteria in LIPA's evaluation of proposals.

B. Selection Process

The Selection Committee will initially review all proposals to determine responsiveness. Any proposal that does not address all requested requirements or is incomplete will be rejected.

The Selection Committee will evaluate all responsive and responsible proposals based on the criteria enumerated in Section VIII (A). The Selection Committee may afford firms the opportunity to clarify proposals for the purpose of assuring a full understanding of their responsiveness to the RFP.

The Selection Committee may also conduct interviews of Proposers found to be most qualified to perform the services required, based upon the criteria listed in this RFP. If so, Proposers will be notified in advance of the exact interview date.

Prior to award of any contracts(s), the Selection Committee will conduct a vendor responsibility determination and may require eligible Proposers to answer questions and provide additional information to supplement the information provided in the Vendor Responsibility Questionnaire to assist the Selection Committee in making such a determination.

All Proposers will be notified in writing once one or more firms have been selected.

IX. PROPOSAL INSTRUCTIONS AND CONDITIONS

A. Limitations

1. This RFP does not commit LIPA to award a contract, pay any costs incurred in the preparation of a response, or procure or contract for services of any kind whatsoever. LIPA reserves the right, in its sole discretion, to accept or reject any or all responses as a result of the RFP, to negotiate with any or all firms considered, or to cancel this RFP in whole or in part. LIPA reserves the right to request additional information from all Proposers.
2. Proposers may be requested to clarify the contents of their proposal. Other than to provide such information as may be required by LIPA, no Proposer will be allowed to alter its proposal or to add new information after the RFP due date.
3. Proposers may be required to participate in negotiations and to submit any price, technical or other revisions to its proposal which may result from such negotiations.
4. Proposers must fully execute the following forms (posted on the RFP web site) and submit with its proposal: 1). MacBride Fair Employment Principles; 2). Non-Collusive Bidding Certification; 3). Contingent Fee Certification; 4). NYS Vendor Responsibility Questionnaire (please find form at <http://www.osc.state.ny.us/vendrep/> and include with your firm's proposal; and 6). Diversity Practices Questionnaire; 5) Sexual Harassment Policy Form
5. All material submitted in response to this RFP will become the sole property of LIPA, except as noted in Section II above.

B. Proposal Submission

1. Responses shall be limited to ten (10) single-sided pages (not including the table of contents, resumes or the cost portion of the proposal which may be included in the same shipping package as the technical proposal but should be in a separate envelope.
2. Proposals must include a cover letter indicating the mailing address of the office from which the proposal is submitted, the name and email address of the individual who will represent the firm as the primary contact person for the proposal, and the telephone numbers of the primary contact person(s).
3. Non-responsive proposals include, but are not limited to, those that:
 - (a) are not in conformance with RFP requirements and instructions;
 - (b) are conditional; or;
 - (c) contain a material omission(s).
4. Joint proposals will not be accepted.

LIPA may waive minor informalities or irregularities in a proposal that are merely a matter of form and not substance and the correction of which would not be prejudicial to other proposals.

C. Participation of Minority and Women-Owned Business Enterprises (MWBE)

The Authority is committed to diversity and equal employment opportunities among its contractors. The Authority encourages all firms, including firms that are MWBE certified, to submit proposals in response to this RFP.

Please note that all certified MWBE firms submitting proposals to this RFP, should be registered as such with the New York State Department of Economic Development. For firms that are not certified but have applied for certification, please provide evidence of filing, including filing date.

For purposes of this solicitation, LIPA hereby establishes an overall subcontracting goal of 30%; 15% for Minority-Owned Business Enterprises (“MBE”) participation and 15% for Women-Owned Business Enterprises (“WBE”) participation.

For additional information regarding the instructions for the MWBE forms, requirements and procedures please see Standard Contract Clauses for LIPA’s Contracts, Attachment B PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN WITH RESPECT TO STATE CONTRACTS: REQUIREMENTS AND PROCEDURES.

D. Participation of Service Disabled Veteran Owned Businesses (SDVOB)

New York State has established a state-wide goal of 6% New York State Service-Disabled Veteran-Owned Business goal. Proposers should identify ways that they might be able to assist the Authority by subcontracting or other means to help achieve the New York State Service-Disabled Veteran-Owned Business goal of 6%. In addition, proposers who are certified as a New York State Service-Disabled Veteran-Owned Business should include this information in their proposal. For more information regarding New York State Service-Disabled Veteran-Owned Businesses, please visit the New York State Office of General Services webpage <http://www.ogs.ny.gov/Core/SDVOBA.asp>.

For purposes of this solicitation, LIPA hereby establishes an overall subcontracting goal of 6%.

Administrative Specifications

1. All proposals must be irrevocable for 180 days and signed by an authorized officer of the firm.
2. The successful Proposer(s) must agree to provide LIPA with audit access on request during the term of the contract and for 7 years thereafter.
3. LIPA at any time, in its sole discretion, may terminate its contract with the successful Proposer(s), or postpone or delay all or any part of the contract, upon written notice.
4. All Proposers are obligated to update any changes in their proposal prior to the proposal due date.

F. Addenda: Errors and Omissions

1. If a Proposer discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, immediately notify LIPA's General Counsel, in writing, of such error and request clarification or modification to the document.
2. Should LIPA find it necessary, modification to the RFP will be made by addenda. Such modifications will be posted on the RFP web site.
3. If a Proposer fails to notify LIPA of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Proposer shall assume the risk. If awarded the contract, the Proposer(s) shall not be entitled to additional compensation or time by reason of the error or its late correction.

G. Debriefing of Unsuccessful Proposers

Upon written request a debriefing will be scheduled with an unsuccessful Proposer after LIPA has provided notice of its selection of one or more successful Proposer(s). Discussion will be limited to a critique of the proposal submitted by the Proposer requesting the debriefing. Comparisons between proposals or evaluations of the other proposals will not be discussed. Debriefings may be conducted in person or by telephone, at LIPA's discretion.

X. CONTRACT APPROVAL

LIPA's selection of one or more successful Proposer shall not be binding until it has been approved by LIPA's Board of Trustees. In addition, any contracts issued pursuant to this RFP shall not be valid, effective or binding until approved by the New York Office of State Comptroller and filed in his office, in accordance with Section 112 of the New York State Finance Law.