



Problem Resolution Report

CoSD Contract No. 568996

Virtual Host Server Consolidation

Peraton/CoSD – 150



Date: May 1, 2025

Title: Virtual Host Server Consolidation

PRR Number: 150

Summary:

In accordance with the provisions of the IT and Telecommunications Service Agreement by and between the County of San Diego (“County”) and Peraton Enterprise Solutions LLC (“Contractor” and hereinafter collectively referred to as “the Parties”) with the effective date November 15, 2016 agreement (“the Agreement”) is reached on the effective date shown below.

Issue or Problem:

The County’s migration from on-premise servers to the Amazon Web Services (AWS) cloud has reduced the number of the required on-premise host and guest servers. To optimize the size and quantity of clusters (grouping of servers), the Parties agree to combine the Production and Development/Test clusters for the following environments into a combined Production/Development/Test cluster: Applications, Enterprise Resource Planning (ERP), SQL, and Web Logic. This consolidation effort will reduce the overall quantity and therefore the overall cost of on-premise host servers, billed as Virtual Host Server – Windows / Linux Resource Unit (RU), and reduce VMware licensing costs accordingly.

Resolution:

1. The Parties agree that after completion of the host server consolidation effort, Contractor shall use the applicable ‘Production Ratio’ to calculate the monthly quantity of billable hosts per combined Production/Development/Test cluster. The Production Ratio represents the portion of host servers in the cluster that is supporting the Production environment and is based on the rationale that 1) host servers in the Production environment are billable and 2) the proportion of servers supporting the Production environment will remain the same after any current and future consolidation.

The Production Ratio was calculated using host server quantities prior to the consolidation effort as follows: *Quantity of Host Servers in Production cluster ÷ Sum of Host Servers in Production and Development/Test cluster.*

As an example, before the consolidation the CoSD_Apps environment had 14 host servers in the production cluster had 7 host servers in the development/test cluster for a total of 21 host servers. The Production Ratio for CoSD_Apps was calculated as follows: 14 (production host servers) ÷ 21 (sum of production servers and development/test host servers) = 66.67%.

The table below provides a summary of the cluster environments in scope of the consolidation effort along with the calculated Production Ratio and baseline host server quantities after completion of the consolidation effort. The baseline host server quantities are subject to



Problem Resolution Report
CoSD Contract No. 568996
Virtual Host Server Consolidation
Peraton/CoSD – 150



fluctuation to accommodate the changing environment; however the Production Ratio will remain unchanged.

Pre-Consolidation Production Clusters	Pre-Consolidation Development/Test Clusters	Combined Production/ Development/Test Clusters	Production Ratio	Consolidated Host Server Quantity	Billable Host Server Quantity
CoSD Apps	CoSD DevTest Apps	CoSD Apps	66.67%	11	7.33
CoSD ERP	CoSD DevTest ERP	CoSD ERP	60.00%	6	3.6
CoSD SQL	CoSD DevTest SQL	CoSD SQL	62.50%	6	3.75
CoSD WebLogic	CoSD DevTest WebLogic	CoSD WebLogic	50.00%	2	1

2. The Parties agree that billing for the Billable Host Server Quantity will take effect the month immediately following the completion of the consolidation effort for the cluster. The following are the agreed to effective dates for the combined clusters:
 - CoSD_WebLogic – December 2024
 - CoSD_Apps – January 2025
 - CoSD_ERP – January 2025
 - CoSD_SQL – January 2025
3. Schedule 16.1 – Section 12. Data Center is amended by adding Subsection 12.6 - Virtual Host – Windows / Linux Server Consolidation Fees, as follows:

12.6 Virtual Host – Windows / Linux Server Consolidation Fees

This section pertains to the Virtual Host Server – Windows / Linux Resource Unit associated with the services described in Schedule 4.3 - Section 6.7.3.4, and listed in Exhibit 16.1-6, Resource Unit Price Summary Option Term.

12.6.1 After completion of the host server consolidation effort, Contractor shall use the applicable ‘Production Ratio’ to calculate the monthly quantity of billable Virtual Host Server – Windows / Linux per combined Production/Development/Test cluster. The Production Ratio represents the portion of host servers in the cluster that is supporting the Production environment and was calculated using host server quantities before the consolidation effort as follows: Quantity of Host Servers in Production cluster ÷ Sum of Host Servers in Production and Development/Test cluster.

The table below provides a summary of the cluster environments in scope of the consolidation effort along with the calculated Production Ratio.



Problem Resolution Report

CoSD Contract No. 568996

Virtual Host Server Consolidation

Peraton/CoSD – 150



Pre-Consolidation Production Clusters	Pre-Consolidation Development/Test Clusters	Combined Production/Development/Test Clusters	Production Ratio
CoSD Apps	CoSD DevTest Apps	CoSD Apps	66.67%
CoSD ERP	CoSD DevTest ERP	CoSD ERP	60.00%
CoSD SQL	CoSD DevTest SQL	CoSD SQL	62.50%
CoSD WebLogic	CoSD DevTest WebLogic	CoSD WebLogic	50.00%

12.6.2 Contractor shall apply the Production Ratio effective the month immediately following the completion of the consolidation effort of each cluster environment and shall continue to apply it until the Parties agree otherwise. Contractor shall notify the County when the number of hosts for a cluster environment decreases by 30% or more from the baseline quantity and at that point the Parties shall in good faith reassess the Production Ratio.

12.6.3 County may, upon request from Contractor, waive the refresh requirement for servers in the Combined Production/Development/Test clusters.

12.6.4 VMware software licensing for host servers in the Combined Production/Development/Test clusters will continue to be a shared responsibility between the Contractor and County. The County’s portion of the licensing costs will correspond with the applicable Production Ratio based on the cluster.

12.6.5 Oracle licensing for County applications (database, middleware, application) will continue to be the responsibility of the County based on the total licenses required for the resulting combined clusters.

- 4. Schedule 16.1 Fees Appendix 16.1-1a Fees (Sample Calculations) is amended by adding Section 6 - Virtual Host – Windows / Linux, as follows:

6. Virtual Host – Windows / Linux Consolidation Fees

Below are sample calculations for the Virtual Host – Windows / Linux applying the Production ratio.

Example 1: The combined CoSD_Apps cluster has 11 host servers on a given month. The Production Ratio for CoSD_Apps is 66.67%. The quantity of Virtual Host Server- Windows/Linux RUs billable to the County is calculated as follows: $11 \times 66.67\% = 7.33$.

Example 2: The combined CoSD_Apps cluster has 10 host servers on a given month. The Production Ratio for CoSD_Apps is 66.67%. The quantity of Virtual Host Server- Windows/Linux RUs billable to the County is calculated as follows: $10 \times 66.67\% = 6.67$.

The resolution of the issue or problem as described in this Problem Resolution Report shall govern the Parties’ actions under the Agreement until a formal amendment of the Agreement is implemented



Problem Resolution Report
CoSD Contract No. 568996
Virtual Host Server Consolidation
Peraton/CoSD – 150




in accordance with the terms of the Agreement, at which time this Problem Resolution Report shall be deemed superseded and shall be null and void.

All other terms and conditions of the Agreement remain unchanged, and the Parties agree that such terms and conditions set forth in the Agreement shall continue to apply. Unless otherwise indicated, the terms used herein shall have the same meaning as those given in the Agreement.


IN WITNESS WHEREOF, The Parties hereto, intending to be legally bound, have executed by their authorized representatives and delivered this Problem Resolution Report as of the date first written above.

COUNTY OF SAN DIEGO

ALLEN R. HUNSBERGER, Acting Director
 Department of Purchasing and Contracting

By: 
Allen Hunsberger (May 8, 2025 15:16 PDT)
 Name: Allen Hunsberger
 Title: Assistant Director, Purchasing ar
 Date: May 8, 2025

PERATON ENTERPRISE SOLUTIONS LLC

By: 
 Name: Max Pinna
 Title: Contracts Manager
 Email: max.pinna@peraton.com
 Date: May 8, 2025

By electronically signing this document, all parties accept the use of electronic signatures.

Adobe Acrobat Sign Transaction Number: CBJCHBCAABAAU8v_QKb6lFBBe4hHBixrnVEEtAyNh9SSq