

data centre development

the value of a partnership approach

The data centre industry needs to be 100% confident that the engineering contractors who design and install critical infrastructure will deliver the highest possible levels of resilience for their own, or their clients', data. At the same time, data centre owners and operators have obligations to shareholders and investors to ensure that any development, whether new-build or refurbishment, represents best possible value over the asset lifetime.

Traditional engineering procurement methods are unlikely to fulfil these requirements. Tendering by an array of prospective suppliers may be effective for routine mechanical or electrical works, but will not take account of the highly specialised skills and knowledge required for data centres. Apart from the fact that 'lowest cost' does not always equate to 'best value', there is the very real possibility that bidders may not advocate the most effective technical solutions, if they fear this will make their proposal financially less attractive.

building confidence

MITIE has established a number of data centre partnerships that overcome these conflicts and guarantee long-term value, without recourse to repeated competitive tendering. Through a sequence of individual projects, which may initially be quite small, we become familiar with the customer's requirements, objectives and, importantly, its business risk considerations. In turn, our partner builds and validates its confidence in our capabilities through successive assignments, rather than experiencing a constant turnover of contractors. This has proved to be a major advantage to a co-location operator with a small core technical team, which has shown its trust in MITIE by placing highly sensitive, live-

environment upgrading work into our hands. The obvious benefit of this approach is that we are able to carry our grasp of the company's commercial and technical requirements from one development to the next, which reduces the impact of the learning curve on both parties. It also enables us to allocate more time and resource towards ongoing customer service and support.

shared experience

By building this kind of collaborative platform, we are able to achieve total integration of purpose and practice between MITIE and the data centre, at all levels from operatives to directors. Wherever possible, we keep the same individuals in established teams, calling in additional resource as and when required, either to support complex logistics or to provide specialised skills. This might happen, for example, in dealing with a critical migration in a difficult location or under tight time constraints.

For one of our customers, we were able to mobilise experts at short notice to resolve a project that had encountered problems in its European operation. MITIE acted as the interface between the company and its contractors and successfully brought handover back on schedule. We are now several years into this partnership, in our role as principal contractors on the infrastructure upgrade of a major data centre, under live operating conditions. We are also developing further facilities for this customer outside the UK, leveraging our experience within the organisation and the industry as a whole.

achieving value

It could be argued that relationship-based arrangements remove the opportunity for management to ensure, and demonstrate to stakeholders, that it is securing the best possible price for each project. However, it is also acknowledged that lowest cost tenders often run into difficulties, if bidders concentrate on undercutting the competition, to the exclusion of what might be a better solution for the data centre and its clients.



By working within a partnership, organisations can adopt the alternative strategy of negotiated pricing, using shared open-book accounting to expose cost and benefit in a completely transparent way. This system enables MITIE to create the optimum design and to determine the most cost-effective installation sequence, in collaboration with our customer. Importantly, the aim is to realise maximum value from the investment over the lifetime of the asset. Often, we find that our acquired in-house knowledge, combined with our broader industry presence and significant purchasing power, enables us to configure the technology in ways that are more economic in the short, as well as the longer, term.

guaranteed performance

The outcome is certainty for both sides, having agreed a firm and realistic price for delivering the contract. The approach also allows MITIE to take accountability for achieving uptime and efficiency targets. This is rarely possible through a conventional contract based on technical specification, rather than operational output. Our ability to provide business-based performance guarantees is particularly important to data centres focused on offering the highest level of efficiency and the lowest lifetime cost to their clients. In one partnership, MITIE has been able to help our customer achieve PUE ratings of 1.4 and below, some of the best in the industry.

in summary

For all our key accounts, the partnership is a robust vehicle for MITIE to help its customers maximise value, by applying creative thinking to the complex issues of data centre operation. It allows our specialised engineers and project managers latitude to formulate the best possible proposal to meet the need, securing the full benefit through accumulated insight and understanding.

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