



City Council Report

Date: July 11, 2016
To: City Council
Through: Alex Deshuk, Manager of Technology and Innovation
From: Edward Quedens, MPA, C.P.M., CPPO, Business Services Director
Matt Bauer, MBA, CPPO, CPPB, CPSM, Procurement Administrator
Subject: Purchase of Equipment and Hosting Fees for the City's Data Center Relocation Project for the Information Technology Department **(Citywide)**

Purpose and Recommendation

Council is requested to approve the purchase of necessary equipment and hosting/co-location fees for the City's Data Center Relocation Project as recommended.

The Information Technology Department and Purchasing recommend authorizing purchases using sole source and cooperative contracts, and competitive quoted and lowest bid pricing; with AT&T at \$321,815.45; Sentinel Technologies at \$176,876.56; U.S. Critical at \$15,870.62; Zayo Group at \$70,272.60; and project contingency at \$58,483.52. The combined total award is \$643,318.75.

Background / Discussion

The City's current Data Center located in the Information Technology (IT) Building at 59 E. First Street, portions which have been designated as a historical building, has been the primary Data Center for 30 plus years and requires significant electrical, HVAC and facility upgrades to remain viable as a primary Data Center. Estimates to perform these upgrades are \$1.2 to \$2 million.

Technology trends and consolidation efforts have reduced the need for space creating an opportunity for more efficient operations by leasing the actual amount of space now required in an established Data Center facility. Furthermore, proposed discussions and visions for the downtown Mesa campus would mean significant construction posing a risk to fiber optic and cooling infrastructure which could result in network and IT Service outages.

The proposal leverages a local data center (AT&T) within the City of Mesa using Mesa's fiber optic infrastructure. Over a one-year period, AT&T would become the City's primary Data Center. In subsequent phases, redundant equipment would be moved to the Communications Building. This project is a multi-year effort resulting in the need to seek Council approval on purchases over the next two years.

Additional benefits outside of cost include:

- ✓ Redundant power, heating and cooling
- ✓ Removal of single points of failure

- ✓ 24/7 monitoring and dedicated security staff
- ✓ Ability to reuse the City's ITB building for other purposes
- ✓ Reduced power usage (greener computing)
- ✓ Flexibility to expand or contract with demand
- ✓ Easier access to a wide variety of internet service providers (including cloud)

Alternatives

Council may choose not to authorize the purchase which would result in the need to upgrade the existing power and cooling infrastructure in the current IT Building.

Fiscal Impact

Funding for this purchase is available in the Information Technology Department FY 2016/17 budget.

Coordinated With

Information Technology and Purchasing

PURCHASING INFORMATION I

Action: Award

Procurement Type: Competition Exemption (Sole Source)

Mesa Contract Number: 2016293

AWARD RECOMMENDATION ***AT&T Corporation*** **Dallas, TX**

Description	
Date Center Relocation per AT&T Pricing Schedule	
One-time Hosting Setup fee for Data Center	\$68,261.50
Ongoing Hosting Yearly Lease for Space	\$229,577.88
8.05% Sales Tax	<u>\$23,976.07</u>
AT&T Total	\$321,815.45

PURCHASING INFORMATION II

Action: Award

Procurement Type: Cooperative Contract

Contracting Agency: State of Arizona

Contracting Agency: ADSPO12-024651

Mesa Contract Number: 2016293

AWARD RECOMMENDATION*Sentinel*

Downers Grove, IL

Description	
Cisco Nexus Network Hardware for Data Center per ADSPO12-024651 and Sentinel Quote #32106 dated 5/27/2016	
Cisco Hardware	\$163,597.00
8.3% Sales Tax	\$13,169.56
Shipping	<u>\$110.00</u>
Sentinel Total	\$176,876.56

PURCHASING INFORMATION III

Action: Award

Procurement Type: Quotes

Mesa Contract Number: 2016293

AWARD RECOMMENDATION*U.S. Critical, LLC*

Lake Forest, CA

Description	
Cisco compatible Network Optics Hardware per Quote #34900	
Network Optics	\$15,029.00
5.6% Use Tax	<u>\$841.62</u>
U.S. Critical Total	\$15,870.62

PURCHASING INFORMATION IV

Action: One-Time Purchase

Procurement Type: Request for Bids

Solicitation Number: 2016255

Vendors Registered: ProcureAZ (37) and Vendor Self Service (35)

Advertising: Arizona Republic, Bid Net, ProcureAZ and Purchasing Website

Downloads: 35

Responses: 2

Local Consideration: Policy did not apply to this procurement

Protests Received: None

Pricing Available to Other Cooperative Agencies: Yes

AWARD RECOMMENDATION***Zayo Group*****Boulder, CO**

Description	
Per Contract No. 2016255, Group Lines 1, 4 and 5	
Initial Non-Recurring Costs for Fiber Construction	\$61,700.00
First-Year Lease for Fiber	\$6,000.00
3.8% Sales Tax	<u>\$2,572.60</u>
Zayo Group Total	\$70,272.60
Estimated Project Contingency (10%)	\$58,483.52
Combined Total Award	<u>\$643,318.75</u>