



City Council Report

Date: March 2, 2020
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Three-Year Lease for the City's Data Center Space for the Information Technology Department **(Sole Source) (Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Information Technology Department and Purchasing recommend awarding the contract to the sole source vendor, Evoque Data Center Solutions, at \$262,000 annually, based on estimated usage, with an annual increase allowance of up to 5%, based on the agreement.

Background / Discussion

In 2016, AT&T was chosen as the sole source provider for colocation services at the former Information Technology Building at 59 E. 1st Street for the City of Mesa. This facility is the only commercially available facility of this type in the City and is situated along a fiber optic path already owned by City. AT&T sold its data centers to Evoque for colocation services at the ongoing monthly cost of \$21,361. It is in the City's best interest to continue this lease for the data center space and colocation services with Evoque.

The Evoque Data Center is the City's primary data center and houses the City's IT infrastructure for all on-premise business applications and databases. It is critical to many of the City business functions. This data center features enterprise-grade cooling, power management and connectivity to support the provision of City IT services.

The original contract contained negotiated terms that are very favorable to the City and the increase contained in this contract is incremental to those original terms. This contract contains terms that guarantee that the City will continue under favorable terms for the next three years. Evoque has performed as promised in delivering services, security and connectivity.

Purchase Information

Action: Award
Procurement Type: Sole Source
Contract Number: 2020150
Local Consideration: Policy did not apply to this procurement method

Initial Contract Term: 36 Months (through 2/3/2023)

Possible Renewals: None

Funding Source: Information Technology Department operating budget

AWARD RECOMMENDATION	
Three-Year Lease for the City's Data Center Space per Contract No. 2020150 and Colocation Service Order dated 2/3/2020	
Base (12 months at \$21,361/month)	\$256,332.00
Estimated Sales Tax	<u>\$5,126.64</u>
Total	<u>\$261,458.64</u>
Annual Contract Amount Requested	<u>\$262,000.00</u>