



City Council Report

Date: August 18, 2025
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Ten-Year Term Contract for Data Center Colocation Services for the Department of Innovation and Technology (Sole Source) **(Citywide)**

Recommendation

Council is requested to approve the award as recommended.

The Department of Innovation and Technology and Procurement Services recommend awarding the contract to the sole source vendor, Comarch at \$426,100 for Year 1 and \$277,300, annually for Years 2-10, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

Background / Discussion

The Comarch Data Center located in Mesa will be the City's primary data center, hosting IT infrastructure for all on-premises business applications and data that are critical to many of the City of Mesa business functions. This Data Center features state-of-the-art cooling, power redundancy and connectivity to support the availability of City IT services.

Comarch is the only provider in southeast Mesa offering colocation services near the City's fiber infrastructure while supporting direct customer fiber connections to onsite equipment. Strategically located, the facility minimizes the impact of local disruptions by increasing separation between data centers. It also offers substantial growth potential for the City's expanding data center needs. A recent lifecycle evaluation by DoIT confirmed that Comarch is the most cost-effective and commercially available colocation option in southeast Mesa.

This agreement with Comarch, including initial set-up costs, anticipates full return on investment within five years, with an estimated 10-year cost savings of \$1,613,580.28 compared to the current collation provider.

Purchase Information

Action: Award
Procurement Type: Sole Source
Contract Number: 2025222
Local Consideration: Policy did not apply to this procurement method

Protests Received: None

Initial Contract Term: Ten years

Possible Renewals: None

Funding Source: Department of Innovation and Technology Lifecycle funds