



# City Council Report

**Date:** January 9, 2023  
**To:** City Council  
**Through:** Michael Kennington, Deputy City Manager/Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Kristy Garcia, Procurement Administrator  
**Subject:** Three-Year Lease Renewal with Two, Three-Year Renewal Options for the City's Data Center Space 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 Purchasing recommends authorizing the use of the sole source vendor, Evoque Data Center Solutions, at \$409,000 annually, with an annual increase allowance of up to 5% or the adjusted Consumer Price Index.

## 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. 1<sup>st</sup> 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 has since sold its data centers to Evoque for colocation services. 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.

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. There is only one source for the required subsequent hardware and software licensing purchase.

## Purchase Information

Action: Award  
Procurement Type: Sole Source  
Contract Number: 2020150  
Local Consideration: Policy did not apply to this procurement method  
Initial Contract Term: 3/3/2020 through 2/3/2023

This Renewal: 36 Months (11/1/2022 through 11/1/2025)

Possible Renewals: Two, three-year renewals subject to Administrative review and approval

Funding Source: Department of Innovation and Technology Department operating budget

AWARD RECOMMENDATION	
Three-Year Lease and Two, Three-Year Renewals for the City's Data Center Space per Colocation Service Order dated 11/1/2022	
Base (12 months at \$27,023/month)	\$324,276.00
Estimated Sales Tax	\$26,920.00
15% Contingency Request	<u>\$57,000.00</u>
Total Amount	<u>\$408,196.00</u>