



## Recommendation for Action

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**File #:** 20-2305, **Agenda Item #:** 29.

6/11/2020

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### **Posting Language**

Approve negotiation and execution of an amendment to the Master Service Agreement entered into on December 29, 2017 to include an additional 560 square feet of cage, rack, and support space for a data center supporting Austin Energy for a 66 1/2-month term and to extend CTM's Master Service Agreement for an additional 26-month term in order to align the terms, for a total amount not to exceed \$4,342,291.20.

### **Lead Department**

Office of Real Estate Services.

### **Fiscal Note**

This item has no fiscal impact.

### **Prior Council Action:**

June 8, 2017 - Council approved a 60-month Master Service Agreement.

### **For More Information:**

Alex Gale, Office of Real Estate Services, (512) 974-1416; Megan Herron, Office of Real Estate Services, (512) 974-5649; Bruce Hermes, Communication and Technology Management, (512) 974-1424; Kerrica Laake, Austin Energy, (512) 322-6013; Dolores Castillo, Austin Energy, (512) 505-3722; Stephen Elkins, Communication and Technology Management, (512) 974-1644

### **Council Committee, Boards and Commission Action:**

June 8, 2020 -The Electric Utility Commission will review the 66-month Agreement.

### **Additional Backup Information:**

The Communication and Technology Management ("CTM") data center serves both internal and external facing applications. Based on assessments of the data center, CTM recommends expanding within the modern colocation data center.

In 2016, CTM contracted with Hewlett Packard Enterprises ("HPE") to perform an analysis of the local colocation providers, and based on numerous objective criteria, HPE recommended that CTM relocate its data center to space within one of three particular colocation data centers whose redundant power architecture and purpose-built facilities protect against the loss of data connectivity, even in times of natural disaster or catastrophe.

On December 29, 2017, CTM entered into a Master Service Agreement with facility for an initial 63-month term, to expire on October 2, 2023. CTM plans to extend the term of the current Master Service Agreement to end coterminous with Austin Energy ("AE") on December 31, 2025.

This amended Master Service Agreement will provide AE with colocation facilities with appropriate space, power, cooling and related services to meet its Data Center requirements for disaster tolerance, IT resiliency and planned disaster recovery initiatives. Moving to a colocation data center facility provides for redundant power architecture, with purpose-built facilities that protect against the loss of data connectivity, even in times

of natural disaster or catastrophe.

The proposed 66 1/2-month extension to the Master Service Agreement will provide AE with power connections to the Greater Austin Area Telecommunications Network and AE Fiber Network. In addition, the Owner will provide AE with dedicated space on site to store, stage, prepare and manage onsite server equipment. The Owner will provide and install cages and rack equipment and will construct any support spaces at an estimated cost of \$45,440.00.\*

The proposed extension will amend, combine, and extend the entirety of the Master Service Agreement, as detailed below for a period commencing June 12, 2020, and expiring December 31, 2025.

Future expenses may include a disaster recovery site at another datacenter location. These potential expenses are estimated to occur in years 3-5.

The table below illustrates the additional estimated annual costs for the space attributed to AE, through December 31, 2025:

Agreement Term	Rack Space Rent	Annual Est. Total
6/12/2020 - 12/31/2020*	\$219,440.00	\$219,440.00
1/1/2021 - 12/31/2021	\$348,000.00	\$348,000.00
1/1/2022 - 12/31/2022***	\$354,960.00	\$354,960.00
1/1/2023 - 12/31/2023***	\$769,570.00	\$769,570.00
1/1/2024 - 12/31/2024***	\$738,600.00	\$738,600.00
1/1/2025 - 12/31/2025***	\$753,384.00	\$753,384.00
<b>Total Amount:</b>		<b>\$3,183,954.00</b>
<b>+ 20% Contingency:**</b>		<b>\$636,790.80</b>

\* - Including estimated cost of equipment purchase and installation, plus construction of the support space.

\*\* - Future expenses may include temporary electricity use increases while transitioning new equipment but before removing old equipment or buildout of new racks or network connection by provider. These potential expenses would be covered by the 20% contingency authorization.

\*\*\* - Future expenses may include a disaster recovery site at another datacenter location. These potential expenses are estimated to occur in years 3 -5.

The table below illustrates the estimated annual costs for the space attributed to CTM:

Agreement Term	Rack Space Rent	Support Area Rent	Other Expenses	Annual Est. Total
10/3/2023 - 12/31/2023	\$31,836.00	\$3,600.00	\$12,000.00	\$47,436.00
1/1/2024 - 12/31/2024	\$129,894.00	\$14,400.00	\$48,000.00	\$192,294.00

1/1/2025 - 12/31/2025	\$132,492.00	\$14,400.00	\$48,000.00	\$194,892.00
Total Amount:				\$434,622.00
+ 20% Contingency**				\$86,924.40

<b>Total RCA Request:</b>	<b>\$4,342,291.20</b>
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By utilizing space within a colocation center, other City departments that have information technology equipment in other data centers can be consolidated under one City colocation contract. Participation by other City departments will save both operational, capital and administrative costs.

The Strategic Facilities Governance Team reviewed and approved this facility request.

**Strategic Outcome(s):**

Government that Works for all.