

**Posting Language**

Recommend approval to negotiate and execute a second amendment to the Master Service Agreement entered into on December 29, 2017, and amended on June 11, 2020, to include an additional 320 square feet of the cage, rack, and support space for Austin Water (“AW”) for a data center, for a term of 38-months, for a total amount not to exceed \$458,366.

**Lead Department**

Financial Services Department.

**Client**

Chief Information Officer, David Johnson.

**Fiscal Note**

Funding in the amount of \$40,796 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Water. Funding for the remaining term of the Agreement is contingent upon available funding in future budgets.

**Prior Council Action:**

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

June 11, 2020 – Council approved a 66 ½ month amendment to the Master Service Agreement.

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

June 8, 2020 – The Electric Utility Commission approved the 66-month Agreement.

May 11, 2022 – To be reviewed by the Water and Wastewater Commission.

**Additional Backup Information:**

The primary Communication and Technology Management (“CTM”) data center serves both internal and external facing applications and is 24 years old. Based on assessments of the primary data center, CTM recommends moving to a 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 the 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.

On June 11, 2020, CTM amended the Master Service Agreement with the facility for a 66 1/5-month term, to include an additional 560 square feet of the cage, rack, and support space for Austin Energy to expire coterminous with CTM on December 31, 2025.

This second amendment to the Master Service Agreement will provide AW with colocation facilities equipped 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 will

provide 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 second amendment to the Master Service Agreement will provide AW with power connections to the Greater Austin Area Telecommunications Network and AE Fiber Network. In addition, the Owner will provide AW 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 \$15,836.\*

The proposed extension will amend, combine, and extend the entirety of the Master Service Agreement, as detailed below for a period commencing May 20, 2022, and expiring July 20, 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 AW, through December 31, 2025:

Agreement Term	Rack Space Rent	Annual Est. Total
Months 1 - 6*	\$40,796	\$40,796
Months 7-12**	\$62,400	\$62,400
Months 13-24***	\$127,296	\$127,296
Months 25-38***	\$151,480	\$151,480
<b>Total Amount:</b>		<b>\$381,972</b>
	<b>+ 20% Contingency:**</b>	<b>\$458,366</b>

\* - Including estimated cost of equipment purchase and installation.

\*\* - 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 2023-2025.

By utilizing space within a colocation center, other City departments with 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 desired strategic outcome for this data center transition is to mitigate the risk of power and communication failures that were identified during Winter Storm Uri. Waller Creek Center, the current home of the Austin Water data center, is not on a critical power path for rolling blackouts which puts the utility at risk during major weather events. Moving to a colocation facility provides additional power and connectivity protection layers, including being in the same facility as the City of Austin data center, and eliminates external hops to core City of Austin resources and internet connectivity.

**Strategic Outcome(s):**

Government that Works for All.