



TO: Board of Contracts and Awards
FROM: Daniel Key, Director of Information Technology
Kipling Morris, Manager, Information Technology
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and
Alex Clark, Finance/Purchasing
SUBJECT: Increase and extend contract with Optic Fusion, SAP Agreement number
4600010212, Council Resolution No. 39051 – October 8, 2019
DATE: September 17, 2019

RECOMMENDATION SUMMARY:

The Information Technology Department requests approval to increase SAP Agreement number 4600010212, to Optic Fusion, Inc., Tacoma WA, by \$714,000, plus any applicable taxes, for the lease of space in a secure cage for datacenter equipment. This increase will bring the contract to a cumulative total of \$1,409,800, plus any applicable taxes.

STRATEGIC POLICY PRIORITY:

The recommended solution aligns with the Strategic Policy Priority to Strengthen and Maintain a Strong Fiscal Management Position by cost effectively mitigating known risks to information services delivery for City departments and citizens.

BACKGROUND:

A study commissioned by the Information Technology Department (ITD) in 2010 entitled “Condition and Risk Assessment of Data Centers and Network Owned by the City of Tacoma” identified inadequate, obsolete, non-redundant, and undocumented TMB physical systems. Per the report, existing TMB datacenter conditions were below minimum standards for an organization like the City with operational and financial dependencies on 24x7 highly available information systems. In 2014, the IT Department entered into a 5-year master services agreement with Optic Fusion Inc., for datacenter colocation services.

ISSUE: The Information Technology Department needs to renew their lease at Optic Fusion Inc. in order to maintain the recommended operations for collocated datacenter services. The original contract amount was for the initial five-year lease. Renewing for an additional five-year term would require an increase of \$714,000.

ALTERNATIVES:

- 1) Secure a different secondary data center and transition all equipment and connectivity to that location
- 2) Contract for cloud services and storage that replicate the current Optic Fusion datacenter functionality
- 3) Allow the contract to lapse and transition all equipment to primary datacenter to maintain redundancy

Effect to Operations



The Optic Fusion datacenter provides operational redundancy of identified information systems between the primary datacenter housed at TPU. Additionally, the Optic Fusion location extends geographic separation from the TPU datacenter to minimize the chance of concurrent impact from the same traumatic event. If the Optic Fusion datacenter were to be decommissioned prior to any alternative being fully implemented, the City would be at risk of loss of critical business systems if the TPU datacenter was diminished or unavailable.

CONTRACT HISTORY: This contract was originally awarded to Optic Fusion Inc. by direct negotiation in December 2014. The initial term of the agreement was for 60 months with the option to renew for an additional 60 months or portions thereof.

SUSTAINABILITY: Optic Fusion Inc. is located in the City of Tacoma at 1101 A Street, which is in close enough proximity for City employees at TMB to walk to when they need to go to the datacenter. The close proximity helps reduce drive times and other related costs to the City as well as reducing the car emissions from employee or City vehicles.

SBE/LEAP COMPLIANCE: Not applicable.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5800 Information Systems	595701	5417004	\$714,000
TOTAL			Up To \$714,000

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
5800 Information Systems	595701	5950317	\$714,000
TOTAL			\$714,000



FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$154,700

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.