



City Council Regular Meeting AGENDA ITEM

NUMBER: 4

SUBJECT:

Ratification of City Manager's Execution of a 60-Month Renewal Option with Flexential Colorado LLC dba Flexential for Colocation Services for the Period of September 2, 2024 Through September 1, 2029 in the Amount of \$945,412.80 and Increase of \$126,842.40 in Total Cost for Five-Year Term Ending September 1, 2029 (Increase from \$945,412.80 to \$1,072,255.20). (Citywide) (For Possible Action; Recommendation – Ratify and Approve)

REQUESTED BY:

William Harty, Assistant City Manager/ Chief Financial Officer

WARD:

(Citywide)

RECOMMENDATION OR RECOMMEND MOTION:

Ratify City Manager's execution of letter exercising 60-month renewal option of MSA with Flexential and approve increase in total cost for five-year term of \$126,842.40.

FISCAL IMPACT:

Amount: \$1,072,255.20 - Year # 1 FY 24/25 \$213,011.04, Year # 2 FY 25/26 \$214,811.04, Year # 3 FY 26/27 \$214,811.04, Year # 4 FY 27/28 \$214,811.04, Year # 5 FY 28/29 \$214,811.04

Explanation: Accounted for in the IT operating budget

ACCOUNT NUMBER:

00100-180165-430617-000000

STAFF COMMENTS AND BACKGROUND INFORMATION:

The City hosts its core computer systems at a Flexential colocation facility. Services provided by Flexential include housing City computer equipment, electricity to power the equipment, cooling, environmental controls, and physical security. Flexential maintains, manages, and physically secures the facility on 24-hour seven days a week basis.

The City entered into a Master Service Agreement (MSA) with Flexential (FKA ViaWest) on September 2, 2014. The MSA included the option for the City to extend the MSA for two 5-year terms and one 4-year term. The City exercised the option to extend the MSA for the period of September 2, 2019 to September 2, 2024. On April 10, 2024, the City executed a letter exercising its option to extend the MSA from September 2, 2024 to September 1, 2029. At the time the City executed the second renewal letter on April 10, 2024, the total cost of services provided by Flexential totaled \$189,082.56 annually (total cost of \$945,412.80 for five years). On November 6, 2024, City Council approved the First Amendment to Services Agreement with Flexential which increased the annual amount due Flexential to \$213,011.04 from \$189,082.56, which was an annual increase of \$23,928.48 and a five year increase totaling \$119,642.40. Pursuant to the Change Order dated February 3, 2025, Flexential will add a cross connect service at a cost of \$150 per month beginning in September 2025 that will run through September 2029. This represents an annual increase of \$1,800 for the four-year period running from September 2025 to September 2029 (a total increase of \$7,200).

City staff seeks City Council ratification of the renewal letter dated April 10, 2024 authorizing performance of the MSA with Flexential for the period of September 2, 2024 through September 1, 2029 at the total cost of \$945,412.80. Additionally, City staff seeks City Council approval of an increase in the total amount for the five-year renewal term of \$126,842.40 which is comprised of the annual increase detailed in the First Amendment approved by City Council on November 6, 2024 (increase of \$119,642.40 for the period of September 2, 2024 through September 1, 2029) and the increase reflected in the change order dated February 3, 2024 (increase of \$7,200 for the period of September 2, 2025 through September 1, 2029).

CIP No.		Related Item:	
LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management			
PREPARED BY:		Respectfully Submitted	MEETING DATE:
William Harty, Assistant City Manager/ Chief Financial Officer		Micaela R. Moore, City Manager	April 16, 2025