



## Board Report

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**File #:** A 18-337, **Version:** 1

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- a. Approve and authorize the Director of the Information Technology Department to execute a non-standard Agreement with Cyxtera Technologies, Incorporated to provide Co-location and Disaster Recovery Services for the County and Natividad Medical Center, in an amount not to exceed \$112,686 for the term of July 21, 2018 to June 30, 2019; and
- b. Approve non-standard agreement terms as recommended by the Director of the Information Technology Department.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of the Information Technology Department to execute a non-standard Agreement with Cyxtera Technologies, Incorporated to provide Co-location and Disaster Recovery Services for the County and Natividad Medical Center, in an amount not to exceed \$112,686 for the term of July 21, 2018 to June 30, 2019; and
- b. Approve non-standard agreement terms as recommended by the Director of the Information Technology Department.

SUMMARY:

On July 21, 2015, the Board of Supervisors approved a three-year Master Agreement with CenturyLink Communications (CenturyLink) to provide managed hosting and co-location and disaster recovery services, supporting the Enterprise Resource Planning (ERP) System for Monterey County and supporting Natividad Medical Center systems. Thereafter, in May 2017, Cyxtera Technologies, Incorporated (Cyxtera) acquired CenturyLink's co-location and disaster recovery business. CenturyLink assigned its contract rights to provide the County with co-location and disaster recovery services to Cyxtera, which in turn provided these services to the County on the same terms and conditions as set forth in the CenturyLink Master Agreement without interruption.

The Information Technology Department is presently exploring the option of bringing managed hosting, co-location and disaster recovery services for the ERP system and for Natividad Medical Center in-house. It anticipates that it will be able to provide these services in the first half of 2019. To avoid an auto-renewal clause that would have bound the County to a three-year term, from July 2018 through June 2020, the County cancelled all CenturyLink and Cyxtera services effective July 20, 2018, as permitted by the Master Agreement.

Proposed is a one-year agreement with Cyxtera for continuation of co-location and disaster recovery services only. A proposed additional year of managed hosting services will be brought to the Board separately, pursuant to amendment to the Master Services Agreement with CenturyLink. Together, the Cyxtera 1-year agreement and the CenturyLink 1-year amendment will provide I.T.D. with adequate time to implement in-house managed hosting, co-location, and disaster recovery services more efficiently and at less cost.

DISCUSSION:

Cyxtera provides a data center facility for the County to store servers and hardware for the County's ERP system and for Natividad Medical Center. In addition, Cyxtera provides disaster recovery services in the event

of a critical systems failure occurs to these County systems.

The County's ERP system supports all general accounting functions including bi-weekly payroll for employees, payment to vendors for services rendered by the County, and management of County assets and debts, as well as performance of internal audits. Natividad Medical Center maintains highly confidential documents supporting patient care.

The agreement with Cyxtera contains provisions non-standard to the County. Nonetheless, the Director of I.T.D. recommends that the Board approve the agreement in order to avoid disruption of County accounting functions and Natividad Medical Center patient care management in the event of disaster or systems failures.

OTHER AGENCY INVOLVEMENT:

County Counsel does not approve the following non-standard provisions: County liability for 50% of the monthly billing cost upon termination of the agreement for convenience; financial penalty for late payments; County liability for vendor's attorneys' fees and collection costs; County liability for administrative fees if payment not made electronically; vendor's unilateral right to increase agreement cost; vendor's sole right to administratively resolve billing disputes; vendor's disclaimer of warranty; limitations on the amount and type of damages available to County in the event of vendor breach; County indemnification of the vendor; non-standard signature, and the agreement is governed by Florida law, not California, law.

Natividad Medical Center reviewed the proposed 1-year agreement with Cyxtera and concurs in the recommendation that the Board approve the agreement.

FINANCING:

The funds for payment of the costs of this Agreement have been included in the FY 18-19 Approved Budget for the Information Technology, ITD 1930, Budget Unit 8433 Appropriations Unit INF002.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The services provided pursuant to this agreement provide ITD with the time necessary to develop provision of these services in-house. Collocation and disaster recovery are essential to ensure continued operability of Auditor/Controller ERP systems and Natividad systems.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared by: Sandra Shaffer, Management Analyst III, 759-6957

Approved by:

Date: \_\_\_\_\_

Eric A. Chatham, Director of Information Technology, 759-6920

Attachments: Agreement with Cyxtera Technologies, Incorporated

Attachments on file with the Clerk of the Board