

# CITY COUNCIL REPORT



Meeting Date: **May 22, 2018**  
 General Plan Element: ***Public Services & Facilities***  
 General Plan Goal: ***Provide city service facilities to meet the needs of the community***

## ACTION

Adopt Resolution No. 11134 authorizing Amendment 2 to Agreement No. 2016-082-COS with Iron Mountain Data Centers, LLC, the successor in interest to IO Capital Princess, LLC, for additional power in the Scottsdale cage for an additional \$1,875 + tax per month.

## Background

The city's data centers house infrastructure needed to support city IT Services. The city's IT Department manages this infrastructure which includes: servers, data storage, network services, and communication equipment. All city computer applications including Financials, Public Safety, and E-services are dependent upon this infrastructure.

In 2015, the IT Department hired Hye Tech Networks, a company that specializes in data center and computer network engineering and optimization, to review the City's current Essential Services Restoration Plan. A major need Hye Tech quickly identified was the ability for the city to continue operations after experiencing a loss of its primary data center. On June 21<sup>st</sup>, 2016 City Council Approved Contract No. 2016-082-COS, a license agreement with i/o Capital Princess LLC in Scottsdale to lease space and the environmental infrastructure (power, air conditioning, fire suppression, security, etc.) needed to implement an alternate computing facility. This company and facility was recommended by Hye Tech based on a thorough analysis of alternatives.

The company i/o Capital Princess LLC in Scottsdale was sold to Iron Mountain Data Centers, LLC in January 2018.

## ANALYSIS & ASSESSMENT

### Recent Staff Action

As part of the City's implementation effort, City staff has identified that additional power is needed to power the equipment at the facility. This will increase the monthly lease rate by \$1,875/month plus tax.

In order to purchase the additional power, Iron Mountain Data Centers, LLC is requesting an amendment to the existing contract with the City.

**Significant Issues to be Addressed**

The City needs the additional power. Without additional power, the city will not be able to operate all the equipment housed in the facility thus compromising the city's disaster recovery efforts.

**RESOURCE IMPACTS**

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**Available Funding**

The FY2017/18 IT Department operating budget has funding identified for the data center lease including the additional power.

**Staffing, Workload Impact**

The amended contract and additional power will require no additional staffing or workload.

**Maintenance Requirements**

The ongoing maintenance of the infrastructure and systems will be funded in future years in the IT operating budget. City staff will be responsible for overseeing these contracts and providing daily maintenance and oversight for the environment.

**Future Budget Implications**

The ongoing operating costs have been forecasted and budgeted for FY2018/19 and beyond.

**OPTIONS & STAFF RECOMMENDATION**

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**Recommended Approach**

Adopt Resolution No. 11134, authorizing the Mayor to execute Contract Amendment No. 2016-082-COS-A1, a license and master services agreement with Iron Mountain Data Centers, LLC to lease space and the environmental infrastructure (power, air conditioning, fire suppression, security, etc.) needed to implement an alternate computing facility.

**RESPONSIBLE DEPARTMENT(S)**

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**STAFF CONTACTS (S)**

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Owen Ellington, Communications Manager, [OEllington@ScottsdaleAZ.gov](mailto:OEllington@ScottsdaleAZ.gov)

**APPROVED BY**

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Robert Fisher, Information Technology Director  
(480)312-7688, [rfisher@scottsdaleaz.gov](mailto:rfisher@scottsdaleaz.gov)

5/8/18  
Date

  
Brad Hartig, CIO  
(480)312-7615, [bhartig@scottsdaleaz.gov](mailto:bhartig@scottsdaleaz.gov)

5/8/18  
Date

  
Jim Thompson, City Manager  
(480)312-2811, [jthompson@scottsdaleaz.gov](mailto:jthompson@scottsdaleaz.gov)

5/8/18  
Date

**ATTACHMENTS**

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1. Resolution # 11134
2. Contract # 2016-082-COS-A1

RESOLUTION NO. 11134

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING CONTRACT 2016-082-COS-A1 WITH IRON MOUNTAIN DATA CENTERS, LLC, FOR BACKUP STORAGE OF EQUIPMENT OUTSIDE THE CITY'S IN-HOUSE DATA CENTERS.

WHEREAS, the City and IO Capital Princess, LLC currently have a contract for backup storage of equipment outside the City's in-house data centers;

WHEREAS, Iron Mountain Data Centers, LLC is the successor in interest to IO Capital Princess, LLC;

WHEREAS, the City wishes to amend the contract make additional power available to the equipment stored off-site;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Scottsdale, Maricopa County, Arizona as follows:

Section 1. The Mayor is authorized and directed to execute Contract 2016-082-COS-A1, with Iron Mountain Data Centers, LLC, an amendment to an existing agreement, for an additional fee of \$1,875 plus tax per month.

PASSED AND ADOPTED by the City Council of the City of Scottsdale this \_\_\_\_ day of \_\_\_\_\_, 2018.

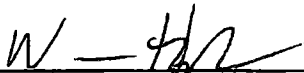
CITY OF SCOTTSDALE, an  
Arizona municipal corporation

ATTEST:

\_\_\_\_\_  
W. J. "Jim" Lane  
Mayor

\_\_\_\_\_  
Carolyn Jagger  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bruce Washburn, City Attorney  
By: William Hylen  
Senior Assistant City Attorney

Attachment 1

Contract No. 2016-082-COS-A1

<b>Amendment 2</b>		
<b>Customer: CITY OF SCOTTSDALE</b>	<b>Data Center: AZS-1</b>	<b>Change Order Number: Q-00003024</b>

This Amendment (this "Amendment") is effective as of the date of full execution of this Amendment between **CITY OF SCOTTSDALE** ("Customer") and **IRON MOUNTAIN DATA CENTERS, LLC**, the successor in interest to IO CAPITAL PRINCESS, LLC ("Licensor"). Customer and Licensor entered into that certain License and Master Services Agreement dated 4/10/2009, as amended hereby and by any prior amendments (collectively, the "Agreement"). In consideration of the mutual promises and covenants herein contained, and for good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended as follows:

- Attachment A is hereby amended as follows:

As of the later of 05/31/2018 or two (2) days following full execution of this Amendment, all Services previously licensed by Customer as listed on Attachment A are hereby deleted in their entireties.

<b>Services Description:</b>	<b>Quantity</b>	<b>Base Amount</b>	<b>Monthly Total</b>
<b>The following services are added to Attachment A</b>			
<b><u>Conditioned Power</u></b>			
Dual Corded 1 Phase 20 Amp 120V  Availability Date: The later of 06/01/2018 or three (3) days following full execution of this Amendment	1	\$360.00	\$360.00
Dual Corded 1 Phase 30 Amp 208V  Availability Date: The later of 06/01/2018 or three (3) days following full execution of this Amendment	13	\$950.00	\$12,350.00
<b><u>Customer Equipment Area</u></b>			
Full Standard Cabinet, Location: Raised Floor  Availability Date: The later of 06/01/2018 or three (3) days following full execution of this Amendment	1	\$644.00	\$644.00
Custom Cage Space <i>Traditional raised floor space by the approximate square foot Total power allocation in the Customer Equipment Area cannot exceed one hundred fifty (150) watts per managed Data Center square foot</i> Availability Date: The later of 06/01/2018 or three (3) days following full execution of this Amendment	632	\$9.25	\$5,846.00
<b><u>Related Data Center Services</u></b>			
Complimentary Remote Assistance Services  Availability Date: The later of 06/01/2018 or three (3) days following full execution of this Amendment	1	Included	Included
<b>Total Added Monthly License Fees:</b>			<b>\$19,200.00</b>

<b>One Time Fees</b>	
Installation Fees	Included

<b>Other Fees</b>	<b>Description</b>	<b>Rate</b>
Escalation	License Fees shall be subject to 5% annual compounded increases.	5%

Contract No. 2016-082-COS-A1

Cross-Connections	Complimentary Cross-Connection	Included
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Special Instructions:		
1.	Customer shall pay Licensor the Installation Fees, if any, and one (1) month's License Fees upon execution of the Amendment.	
2.	Customer's 1 Phase 20 Amp 120V Conditioned Power, as set forth in the chart above, was delivered to Customer's Custom Cage Space.	
3.	The parties acknowledge and agree the Full Standard Cabinet, as set forth in chart above, shall not have any Conditioned Power delivered. In the event Customer elects to license Conditioned Power for the aforementioned Full Standard Cabinet, Customer shall notify Licensor and enter into a Change Order.	

2. The parties acknowledge and agree that the list of Attachments set forth on the signature page of the Agreement is hereby amended by adding Attachment E and Attachment F, attached hereto as Exhibit A and Exhibit B.

3. Attachment B is hereby amended by adding the following to the bottom of Section 1:

"1.26 "Availability Date" means the date on which Licensor shall make the Related Data Center Services available to Customer.

1.27 "Conditioned Power Dual Corded" means Conditioned Power which is delivered by at least two (2) PDUs (as depicted on Attachment F).

1.28 "Conditioned Power Single Corded" means Conditioned Power which is delivered by at least one (1) PDU (as depicted on Attachment E)."

4. Section 5.1 of the Agreement is hereby amended to add the following to the beginning of each of Sections 5.1(a) and (b): "TO THE EXTENT PERMITTED BY APPLICABLE LAW,".

5. Section 5.3 of the Agreement is hereby amended by deleting the reference to "one (1)" and replacing such reference with: "two (2)".

6. Section 6 of the Agreement is hereby deleted in its entirety and replaced in lieu thereof with the following:

6.1 **Obligation to Indemnify.** Customer will indemnify and hold Licensor, its affiliates, members, managers, shareholders, officers, directors, employees, agents, representatives and licensees (collectively, the "Licensor Indemnified Parties") harmless for, from and against all liabilities, claims, damages, actions, losses, penalties, litigation, demands, causes of action, suits, proceedings, judgments disbursements, charges, assessments and expenses, including reasonable attorneys' fees, court costs, expert witness fees and litigation related expenses (collectively, "Claims") by any person, entity, governmental authority, or other third party arising out of or relating to: (a) the actual or alleged breach of this Agreement or applicable Law by any of the Customer Parties (as defined below); (b) the negligence or willful misconduct by any of the Customer Parties; (c) Customer's responsibilities under this Agreement, Customer Equipment, Customer Materials, Customer's Business, Customer's Work, and/or the actions (or failure to act) of a Colo User or person to which Customer resells IP Bandwidth; or (d) the transportation, use, storage, generation, manufacture, handling, disposal, release, discharge, spill or leak of any Hazardous Material upon or about the Customer Area or the Data Center by any Customer Party and any threatened or actual claim, suit, action, arbitration or proceeding made or brought against any Licensor Indemnified Party by any person, entity, governmental authority or other third party arising out of or relating thereto. The foregoing indemnity shall be provided to the maximum extent permitted by law and includes, without limitation, claims of infringement of any trademark, copyright, patent, trade secrets or nonproprietary rights (including, without limitation, defamation, libel, violation of privacy or publicity), or any injury to or death of any person or damage to any property occurring upon the Customer Area, the Data Center or the land on which the Data Center is located "Customer Parties" means Customer, its Representatives, Colo Users and persons to whom Customer resells IP Bandwidth; sublicenses, assignees and any other occupant of the Customer Area; and any of their respective managers, officers, directors, agents, employees, invitees, transferees, and contractors.

6.2 **Licensor Obligation to Indemnify.** Licensor will indemnify and hold Customer, its affiliates, members, managers, shareholders, officers, directors, employees, agents and representatives and licensees (collectively, the "Customer

Indemnified Parties") harmless for, from and against any and liabilities, claims, damages, actions, losses, penalties, litigation, demands, causes of action, suits, proceedings, judgments disbursements, charges, assessments and expenses, including reasonable attorneys' fees, court costs, expert witness fees and litigation related expenses (collectively, "Claims") by any person, entity, governmental authority, or other third party arising out of or relating to: (a) the gross negligence or willful misconduct by any of the Licensor Parties; (b) bodily injury or death to the extent caused by the negligence of any Licensor Parties or (c) the transportation, use storage, generation, manufacture, handling, disposal, release, discharge, spill or leak of any Hazardous Material upon or about the Customer Area or the Data Center by any Licensor Party and any threatened or actual claim, suit, action, arbitration or proceeding made or brought against any Customer Indemnified Party by any person, entity, governmental authority or other third party arising out of or relating thereto. "Licensor Parties" means for this Section 6.2 Licensor, its representatives, Service Providers in their performance of Licensor's obligations hereunder, and their respective managers, officers, directors, agents and employees.

6.3 Indemnification Procedures. Each indemnified party will provide the indemnifying party with (a) reasonably prompt notice in writing of any claim or action subject to indemnification hereunder (if failure to provide such notice does not relieve the indemnifying party of its indemnification obligations hereunder), (b) information and reasonable assistance, at the indemnifying party's expense, as necessary or appropriate to defend or settle such claim or action, and (c) full authority to defend or settle the claim or suit (provided that the indemnifying party shall not settle any proceeding in any matter which would impose any penalty or limitation on, or result in an admission of guilt or fault by or on the part of, any indemnified party without the written consent of such party). Each indemnified party shall have the right to employ separate counsel and participate in the defense of any claim or action, at its own expense. The indemnified party shall promptly provide notice of an indemnification Claim in accordance herewith of learning of such Claim. If the indemnifying party fails to vigorously defend such claim, or if a conflict of interest exists between the indemnifying party and an indemnified party, the affected indemnified party shall be entitled to defend, settle and/or compromise such claim and to be indemnified therefor as provided in this Section 6.

7. The Agreement is hereby amended by incorporating the following additional provisions at the end of Section 12 of the Agreement:

#### **12.17 CONTRACT ADMINISTRATOR**

The contract administrator for Customer is Jennifer Jensen or other designee of Customer ("Contract Administrator"), provided Customer has provided Licensor written notice of such designee. The Contract Administrator will oversee the following, each as applicable pursuant to the terms of the Agreement: execution of this Amendment, assist the Licensor in communicating with Customer, approve Expenses, establish delivery schedules, approve addenda, and assure Certificates of Insurance are in City's possession and are current and conform to the contract requirements. The Licensor will channel any required reports and special requests through the Contract Administrator.

#### **12.18 CONFLICT OF INTEREST**

A.R.S. §38-511 regarding cancellation for conflict of interest applies to this Agreement.

#### **12.19 IMMIGRATION LAW COMPLIANCE**

To the extent applicable, the requirements of A.R.S. §41-4401 are incorporated into this Agreement. Under the provisions of A.R.S. §41-4401, the Licensor warrants to the Customer that the Licensor and all its subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the Licensor and all its subcontractors now comply with the E-Verify Program under A.R.S. §23-214(A).

A breach of this warranty by the Licensor or any of its subcontractors will be considered a material breach of this Agreement and may subject the Licensor or subcontractor to penalties up to and including termination of this Agreement or any subcontract. The Licensor will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The Licensor's failure to assure compliance by all its' subcontractors with the E-Verify Program may be considered a material breach of this Agreement by the Customer.

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The Licensor agrees to indemnify, defend and hold the Customer harmless for, from and against all losses and liabilities arising from any and all violations of these statutes.

### **12.20 ISRAEL BOYCOTT PROHIBITION**

By entering into a contract with the Customer, the Licensor certifies that they are not currently engaged in and agrees for the duration of the contract to not engage in a boycott of Israel as defined in A.R.S. § 35-393.

8. The parties acknowledge and agree to delete the portion of Attachment D beginning with Section II and continuing through the chart in Section III and replace in lieu thereof with the following:

## **II. SERVICE LEVEL OBJECTIVES**

Set forth below are Licensor's Service Level Objectives for specific Related Data Center Services:

### **Power:**

For Customers who deploy (i) Conditioned Power Dual Corded: Licensor's service level objective is **100 percent (100%)** availability of Conditioned Power to the Customer Equipment Area.

For Customers who deploy Conditioned Power Single Corded: Licensor's service level objective is **99.5 percent (99.5%)** availability of Conditioned Power to the Customer Equipment Area.

### **Temperature:**

Licensor's service level objective is to maintain an ambient temperature between fifty-nine (59) degrees and ninety (90) degrees Fahrenheit at all times in the Customer Equipment Area.

### **Humidity:**

Licensor's service level objective is to maintain an ambient humidity between twenty percent (20%) and eighty percent (80%) in the Customer Equipment Area.

### **Direct Internet Access and Private Network Transport:**

For Customers who deploy dual network feed configurations, Licensor's service level objective is one hundred percent (100%) availability of Direct Internet Access and/or Private Network Transport, as applicable.

### **Access Control:**

Licensor's service level objective is to maintain access control which identifies or authenticates authorized visitors into the manage Data Center (the "Access Control Objective").

## **III. SERVICE LEVEL CREDITS**

The table below sets forth Customer's sole and exclusive remedy for failures to meet any of the Service Level Objectives for the Related Data Center Services referenced therein (a "Service Level Failure").

<b>Service Level Objective</b>	<b>Service Level Failure</b>	<b>Service Level Credit</b>
<b>Power</b>	<b>Primary Power Failure (Dual Corded)</b> – Where Customer deploys Conditioned Power Dual Corded in an A & B configuration from A & B PDUs, it shall be a Service Level Failure if both electricity feeds A and B fail simultaneously for any amount of time to supply power, as determined at the line side of the PDU.	The Service Level Credit shall equal the total monthly License Fees of the Customer Equipment Area where such Conditioned Power (Dual Corded) is deployed multiplied by ten percent (10%) for each fifteen (15) minutes or portion thereof.



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<b>Power</b>	<b>Primary Power Failure (Single Corded)</b> - Where Customer deploys Conditioned Power Active or otherwise deploys power from a single PDU, it shall be a Service Level Failure if the single electricity feed fails for any amount of time in excess of 109.5 minutes during any calendar year to supply power as determined at the line side of the PDU.	The Service Level Credit shall equal the total monthly License Fees of the Customer Equipment Area where such Conditioned Power (Single Corded) is deployed multiplied by ten percent (10%) for each fifteen (15) minutes or portion thereof in excess of the 109.5 minutes during any calendar year.
<b>Temperature</b>	<b>Temperature Failure</b> - It shall be a Service Level Failure if the ambient Air Temperature (as defined in Note 1 below) average, as measured across all measurement points (a "Temperature Reading") is outside a range of fifty-nine (59) degrees Fahrenheit to ninety (90) degrees Fahrenheit for four (4) hours after a Temperature Reading fell outside a range of fifty-nine (59) degrees Fahrenheit to ninety (90) degrees Fahrenheit.	The Service Level Credit shall equal the total monthly License Fees of the Customer Equipment Area multiplied by five percent (5%) for each Temperature Failure. For purposes of clarification, Customer receives a Service Level Credit after each four (4) hour period during which a Temperature Failure continues.
<b>Humidity</b>	<b>Humidity Failure</b> - It shall be a Service Level Failure if the ambient air relative humidity average, as measured in accordance with Note 2 below (a "Humidity Reading"), is below twenty percent (20%) or above eighty (80%) humidity six (6) hours after a Humidity Reading fell below twenty percent (20%) or rose above eighty percent (80%).	The Service Level Credit shall equal the total monthly License Fees of the Customer Equipment Area multiplied by five percent (5%) for each Humidity Failure. For purposes of clarification, Customer receives a Service Level Credit after each six (6) hour period during which a Humidity Failure continues.
<b>Access Control</b>	<b>Access Control</b> - It shall be a Service Level Failure if there is a lack of system(s) or personnel to execute the Access Control Objective.	The Service Level Credit shall equal the total monthly License Fees of the Customer Equipment Area multiplied by five percent (5%) for each fifteen (15) minutes or portion thereof.
<b>Other Customer Areas and Non-Service Impacting in Customer Equipment Area</b>	<b>Non-Service Impacting Breach</b> - It shall be a Service Level Failure in the event of any breach by Licensor other than as set forth in this Service Level Credit chart.	The Service Level Credit shall equal the lesser of (i) actual and proven direct damages of Customer or (ii) the total monthly License Fees specific to the area impacted multiplied by one percent (1%) for each day of breach.
<b>Direct Internet Access and Private Network Transport</b>	<b>Direct Internet Access or Private Network Transport Failure</b> - If Customer deploys dual network feed configurations, it shall be a Service Level Failure if both network feeds are unavailable simultaneously for any amount of time to Customer Equipment Area.	The Service Level Credit shall equal the total monthly License Fees specific to Direct Internet Access or Private Network Transport, as applicable, for the Customer Equipment Area multiplied by ten percent (10%) for each fifteen (15) minutes or portion thereof.

All capitalized terms used in this Amendment and not otherwise expressly defined herein shall have the meanings ascribed to such terms in the Agreement.

Except as expressly modified above, all terms and conditions of the Agreement remain in full force and effect and are hereby ratified and affirmed.

IN WITNESS WHEREOF, the parties hereto have entered into this Amendment as of the date set forth below.

**IRON MOUNTAIN DATA CENTERS, LLC**

By: DocuSigned by:  
Rick A Crutchley  
07DEEF9084CF4B5...

Printed Name: Rick A Crutchley

Title: General Manager

Date: 5/4/2018

Approved Legal: KS

Attachment 2

Contract No. 2016-082-COS-A1

CITY OF SCOTTSDALE, an Arizona  
municipal corporation

ATTEST:

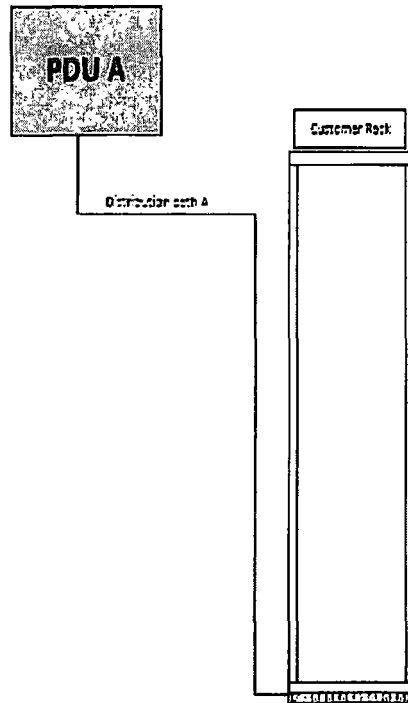
Carolyn Jagger, City Clerk

W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:

Bruce Washburn, City Attorney  
By: William Hylen  
Senior Assistant City Attorney

**EXHIBIT A**  
**LICENSE AND MASTER SERVICES AGREEMENT**  
**ATTACHMENT E – SINGLE CORDED DIAGRAM**



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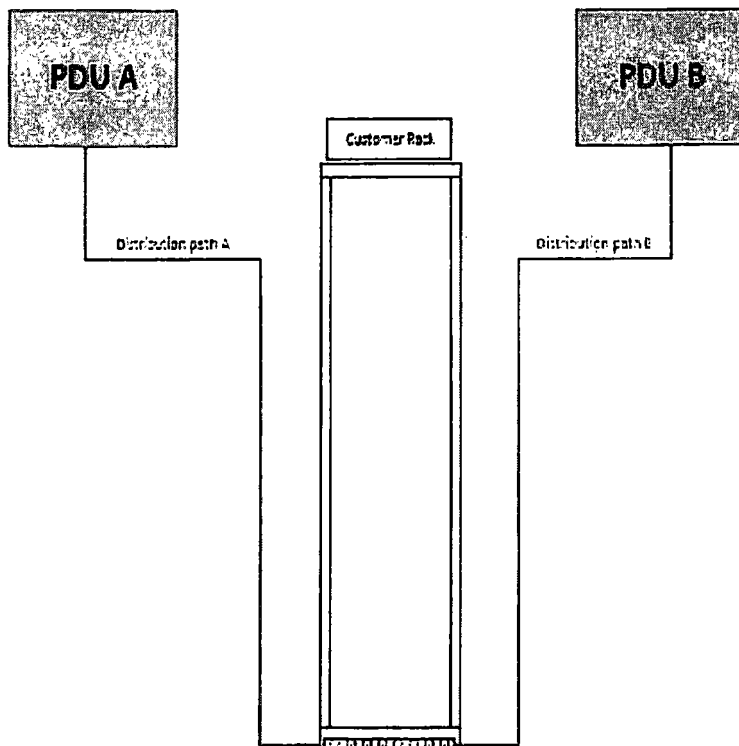
Intelligent Control<sup>®</sup>

io.com  
CONFIDENTIAL

**EXHIBIT B**

**LICENSE AND MASTER SERVICES AGREEMENT**

**ATTACHMENT F -- DUAL CORDED DIAGRAM**



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Contract No. 2016-082-COS-A1

The Following Information is provided as a convenience and is not part of the Agreement and is not legally binding.

<b>Services Summary:</b>			
Description	Amendment	Quantity	Status
Dual Corded 1 Phase 20 Amp 120V	2	1	New
Dual Corded 1 Phase 30 Amp 208V	2	13	New
Full Standard Cabinet, Location: Raised Floor	2	1	New
Custom Cage Space	2	632	New
Cross-Connections	2	1	New
Complimentary Remote Assistance Services	2	1	New

<b>Details Summary:</b>		
MSA / Amendment	Detail	Language
1	3	Total power allocation in Customer Area cannot exceed 100 watts per managed Data Center square foot.
1	4	Customer intra-cage/cabinet communications cabling: NOT INCLUDED; TO BE INSTALLED BY CUSTOMER AT CUSTOMER'S EXPENSE.
1	5	Customer Equipment: NOT INCLUDED; TO BE PURCHASED AND INSTALLED BY CUSTOMER AT CUSTOMER'S EXPENSE.
1	7	Cross Connects to Data Center main distribution point o (6) Cat5e included.