



City of Austin

Recommendation for Action

File #: 26-1537, **Agenda Item #:** 14.

5/7/2026

Posting Language

Ratify an amendment to the Master Service Agreement for continued data center lease space for all City departments, in the amount of \$577,467 and authorize an amendment for future services to increase the amount by \$3,557,533 and extend the term by three years for a revised total contract amount not to exceed \$6,577,072. Funding: \$577,467 for the ratification was available in the Operating Budgets of various City departments, \$1,089,199 is still available in the Operating Budgets of various City departments. Funding for the remaining contract term is contingent upon available funding in future budget.

Lead Department

Austin Financial Services.

Client Department(s)

All City Departments.

Fiscal Note

Funding in the amount of \$577,467 for the ratification was available in the Fiscal Year 2025-2026 Operating Budgets of various City departments.

Funding in the amount of \$1,089,199 is still available in the Fiscal Year 2025-2026 Operating Budgets of various City departments.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Procurement Language:

Ratification and amendment.

MBE/WBE:

Ratifications to existing contracts are exempt from the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established.

Prior Council Action:

June 8, 2017 - Council approved a contract for data center lease space.

June 11, 2020 - Council approved an amendment for continued data center lease space.

May 19, 2022 - Council approved an amendment for continued data center lease space.

For More Information:

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Additional Backup Information:

The agreement provides Austin Technology Services (ATS), Austin Energy (AE), and Austin Water (AW) with colocation facilities offering space, power, cooling, and related services to meet their data center requirements for disaster tolerance, Information Technology (IT) resiliency, and planned disaster recovery initiatives.

In 2017, ATS entered into a Master Service Agreement with the facility for an initial five-year and three-month term, to expire on October 2, 2023. In 2020, the Master Service Agreement with the facility was amended for a five and a half year term, to include an additional 560 square feet of the cage, rack, and support space for AE. In 2022, the Master Service Agreement was amended to 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. Due to the extensive negotiations required to align and finalize the contract terms, the funds were expended to maintain continuity of operations prior to obtaining Council authorization. Additionally, the request to add more time to the contract is necessary to allow staff sufficient time to develop and execute a replacement contract.

The Master Service Agreement has provided ATS, AE, and AW with colocation facilities with appropriate space, power, cooling and related services to meet their data center requirements for disaster tolerance, IT resiliency, and planned disaster recovery initiatives.

The 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.

Contract Details:				
Contract Term	Length of Term	Contract Authorization	Requested Additional Authorization	Revised Total Authorization
Initial Term	5 years	\$1,481,915		\$1,481,915
Contract Amendment	5 years, 6 months	\$636,791		\$636,791
Contract Amendment		\$458,366		\$458,366
Proposed Amendment	3 years		\$4,000,000	\$4,000,000
Total	13 years, 6 months	\$2,577,072	\$4,000,000	\$6,577,072

Note: Contract Authorization amounts are based on the City’s estimated annual usage.