



STAFF REPORT ACTION REQUIRED

Leasing Up to 800 sq.ft. of Rentable Area of Data Centre Space to Co-Locate Information & Technology Division Computer Hardware at 73 Laird Drive

Date:	November 19, 2007
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	26 – Don Valley West
Reference Number:	P:\2007\Internal Services\F&re\Gm07107F&re - (AFS 6224)

SUMMARY

This report seeks authorization for the Chief Corporate Officer, in consultation with the Chief Information Officer, to negotiate and approve a new lease agreement and customer facility service level agreement to accommodate Information & Technology Division's ("I&T") data centre space requirements, of up to 800 rentable sq. ft., at 73 Laird Drive for a (5) year term, based substantially on the terms and conditions set out in attached Appendix "A".

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. Council authorize the Chief Corporate Officer, in consultation with the Chief Information Officer, to negotiate the terms and conditions of a lease (the "Lease") of the property at 73 Laird Drive and of any necessary or desirable customer facility service agreement (the "Service Level Agreement") with TELUS Communications, or any related entity, (the "Landlord"), consisting of a rentable area of up to 800 sq.ft. approximately, at a gross rental rate of \$50.00 per sq.ft. per month, a maximum five (5) year Term, and based substantially on the terms and conditions as set out attached Appendix "A", subject to such further revisions and other terms and conditions as may be deemed appropriate by the Chief Corporate Officer and the Chief Information Officer in consultation with the City Solicitor.

2. Should the above negotiations be successful, authority be granted for the City to enter into any such Lease and the Service Level Agreement described above, in form approved by the City Solicitor.

3. The Chief Corporate Officer be authorized to administer and manage the Lease including the provision of any consents, approvals, waiver notices and notices of termination provided that the Chief Corporate Officer may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction.

Financial Impact

The total expenditure for a full Five (5) year Lease Term commencing in early 2008, is estimated to be approximately \$1,846,000, plus GST, which includes a one-time set-up fee of \$40,000. Funding in the amount of \$1,846,000 is available in the Recommended 2008 Capital Budget and 2009-2012 Capital Plan for Information and Technology in account CIT047-01. For the future years 2009-2012 there will be a need to re-allocate the cash flow to match the amounts required in each of those years.

Year	SQFT Required (Incremental)	Monthly Costs based on \$50/SQFT	Yearly Costs Incremental	Total Costs Cumulative
Year 1	310	\$15,500	\$186,000	\$186,000
Year 2	190	\$ 9,500	\$114,000	\$300,000
Year 3	150	\$ 7,500	\$ 90,000	\$390,000
Year 4	100	\$ 5,000	\$ 60,000	\$450,000
Year 5	50	\$ 2,500	\$ 30,000	\$480,000
				\$1,806,000

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

Based on the location and facility requirements of the Information & Technology Division, Facilities & Real Estate and Information & Technology identified and evaluated five suitable sites. Although certain base terms for this unique type of space have been established, the parties have not had sufficient opportunity to resolve the terms of their necessary documentation for the space and software capacity and related services to be provided by the Landlord.

ISSUE BACKGROUND

The City of Toronto's I&T Division is in urgent need of additional computer room space to accommodate computer hardware associated with growth in City business applications and data. This need is due to the fact that the 703 Don Mills Road has reached critical load capacity affecting all building tenants such as I&T, Transportation Services and Toronto Police Services. Upgrading the building is a long term option to be considered but cannot be accommodated in the short term. The pending purchase of a large amount of servers for future net new computer projects makes action on this issue urgent.

The growth in computer hardware to support business applications and data is currently growing at a rate of 25%-30% per year. This rate of growth has impacted day to day operations and the ability to find and utilize space for hardware, storage capacity and most notably electrical power demand. Examples of where this growth has occurred are as follows:

- Internet and Security; in particular, enhancements to online e-services web application, virus protection and e-mail filters.
- Enhancement to existing applications such as, Toronto Community Health Information System, Social Services Data Mart, Street Permit Parking, E-Mail, SAP and other Financial applications.
- Net new computer hardware purchases for new systems and applications including 311, Document Management and other projects. All computer purchases, now come with two power supplies for redundancy, consequently doubling the demand for electricity.
- Consolidation of computer hardware from divisional I&T such as Facilities & Real Estate, City Clerk's, Toronto Water and Parks, Forestry & Recreation, etc. into the 703 Don Mills 3rd floor data centre.
- Data Storage, especially in the area of File and Print storage where a 30% growth rate has been projected consistently year after year.

CONCLUSION

City Council authorize the Chief Corporate Officer, in consultation with the Chief Information Officer, to negotiation and approve a new lease agreement at 73 Laird Drive. This will accommodate the Information & Technology Division's ("I&T") urgent data centre space requirements occupancy date of January 14, 2008.

CONTACT

Joe Casali
Director, Real Estate Services
Tel: (416) 392-7202
Fax: (416) 392-1880
jcasali@toronto.ca

Chuck Donohue, P. Eng.
Executive Director, Facilities & Real Estate
Tel: (416) 397-5151
Fax: (416) 392-4828
cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

ATTACHMENTS

Appendix "A" Major Terms and Conditions
Appendix "B" Location Map