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2014 CAPITAL BUDGET BRIEFING NOTE

Information & Technology - Consolidated Data Centre Project

Issue / Background:

The previously approved project to build a consolidated City of Toronto Data Centre has not proceeded as planned, due to the potential impact of a pending Shared Services Review on the scope and approach.

At this time, it is not expected that the City will build a new consolidated data centre, but rather determine whether the needs of the City and some key Agencies can better be met through alternative approaches. The Shared Services review of IT Infrastructure will be initiated in 2014 and will include a review of the data centre needs of the City and Agencies to determine the potential benefits of consolidation. In the event that the review determines consolidation is beneficial, it is anticipated that a co-location lease would likely be the preferred option, which will be assessed in detail.

As a result of this change in direction, the recommended capital budget for the Consolidated Data Centre project has been reduced from a previous approved capital project cost of \$105M, to a more modest \$24.7M, which would allow the City and key Agencies to migrate to a co-location facility.

Key Points:

<http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-58891.pdf>

- The City's existing data centre at 703 Don Mills has reached capacity in terms of space and power.
- A project to build a new data centre, which would include City of Toronto and the TTC's needs, was previously approved, for \$105M.
- A preliminary Shared Services review conducted by KPMG as directed by the City Manager's Office, identified the potential for benefits if the scope of this data centre project were to include other Agencies. KPMG also recommended the City consider a single co-location lease to provide data centre requirements, versus a build project.

- Staff are commencing a more detailed review of IT Infrastructure Shared Services opportunities, which will include the development of a data centre strategy.
- The Consolidated Data Centre project has therefore been suspended pending this review of scope and alternatives, expected to be completed in late 2014.
- Funding of \$24.7M to commensurate with the relocation of the City's and Agencies' data centres into a consolidated co-location facility have been included in the new 2014-2018 Recommended Capital Budget and Plan, with notional financial contributions from the Toronto Public Library, Toronto Transit Commission and Toronto Police Services of \$12M, and the balance of \$12.7M funded from the Capital Financing Reserve. These funds will not be expended until the conclusion of the Shared Services review.
- I&T will report back in late 2014 / early 2015 with results of the study and recommendations for the consolidated data centre.

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