



To: **Financial Affairs Committee**
From: **Jalal Ali, Director of Information Services**
Date: **3/2/2023**
Subject: **Approval of one-year Support and Licensing Renewal Agreement with Nutanix for hyper-converged technology to run the City's technology services, in the amount of \$54,998.39**

A. Background/Rationale

The City of Wauwatosa has used Nutanix hyper-converged infrastructure (HCI) as the technology to run over 120 virtual servers in the City's two data centers. These servers facilitate the operations of most of the City's services including Financial, Human Resources and payroll, 911 Dispatch, Police and Fire record management, email, file services, to name a few. The Nutanix infrastructure was installed in 2019 following an extensive research and RFP process to replace an aging unsupported platform.

Hyper-converged technology is an IT infrastructure solution that combines storage, computing, and networking into a single platform, making it easier and more efficient to manage. Hyper-convergence takes many of the, previously separate, components that make up a data center and consolidates them into a unified platform. This unification, or convergence, allows tighter integration of those parts thus providing for a single management interface to manage the three tiers. This reduces staff time required to maintain our systems up-to-date while also reducing costs and improving scalability. Hyper-convergence has allowed us to focus on our service offering and meeting resident's needs rather than constantly managing compatibility of multiple disparate resources.

In the 2019 RFP, the City evaluated responses from four vendors with solutions ranging from \$508,000 to \$962,000 for relatively comparable solutions. After further research and discussion, the City selected Heartland Business Solutions' proposal to





install Nutanix at a cost of \$413,000 which included 3 years of support and maintenance. The selection of Nutanix was based on their market performance as visionary leader in the field with strong ability to execute their vision, according to the, then current, 2019 Gartner report. It was anticipated at the time that renewals after year 3 would cost \$75,000. These costs include licensing fees to continue use of the Nutanix software. The renewal also provides 4-hour response to replacement of failing server components as well as support & updates to the software that activates these components.



Council approval is required since the renewal costs exceeds \$25,000. These costs are included in the 2023 Information Technology budget.

B. Key Issues for Consideration

- Heartland Business Solutions (HBS) is the registered Value-Added Reseller (VAR) for Nutanix. As the registered, HBS receives exclusive renewal discounts from Nutanix that are not made available to other resellers. HBS is then able to extend those discounts to the City.
- Continued use of the Nutanix software requires renewal of software contracts





C. Fiscal Impact

The March 26th, 2019 FAC memo listed the annual future financial impact to cover our servers, storage, and backup platform at \$75,000. Our current costs for this coverage are \$67,000 that also includes renewal of the backup software, Veeam.

This request is a one-year renewal of licensing, maintenance, and support of existing software and hardware. The City continues to qualify for large renewal discounts due to early adoption of Nutanix's solution.

D. Requested Action

Approval of renewal agreement for one year at a cost of \$54,998.39

E. Attachments

Renewal quote from Heartland Business Solutions

