STAFF REPORT

Meeting Type:	Board of Directors
Title:	Agreement with 365 Data Centers for Co-location Services
From:	Bret Uppendahl, Finance Director
Through:	Shaun Horne, General Manager
Meeting Date:	November 17, 2026

TYPE OF ITEM: X Action Information

RECOMMENDATION: Approve an extension to the District's agreement with Stonecourt 365 Holdigs, Inc. (DBA 365 Data Centers) for co-location services through June 30, 2028, for a total amount of $101,382 and authorize the General Manager to finalize and execute the extension

SUMMARY: The 365 Data Center facility in Rancho Cordova, CA houses critical IT infrastructure on which much of the District's primary production IT services are hosted. This remote data center, which was formerly owned by Sunguard, has been utilized by the District since 2012. Originally used as a remote disaster recovery site, in 2021 the District IT team migrated much of the production workload on our systems from the Administration Building to this co-location facility around the same time that physical servers were migrated to a virtual platform.

DISCUSSION: The District's remote data center is currently hosting most of IT's production services and workloads. This includes all SAP production, development, and sandbox servers; the AutoCAD Vault supporting Engineering Design; all Enterprise Resource Planning support services, including Single-Sign-On servers, LiquidUI, and RSITE tax services; all proprietary internet facing services for backflow and encroachment permits; as well as numerous IT infrastructure services supporting identity management, certificate management and cloud federation. Nearly 80% of all virtual machines running in the District's IT infrastructure are housed at the 365 Data Center facilities.

This renewal will cover all co-location services including cabinet space, power, HVAC, network connectivity and WAN interconnect services and will expire on June 30, 2028. The total amount for these services will be $101,382.

On August 18, 2026, the Board of Directors approved an agreement with 365 Data Centers for co-location services through July 31, 2027. Staff recommends that the Board approve an extension to the agreement with 365 Data Centers for co-location services through June 30, 2028 for a total amount of $101,382 and authorize the General Manager to finalize and execute the extension.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: Funding for the expenditures detailed above is available within the Information Technology Department's approved operational budget for Fiscal Year 2026-27 and will be included in the Operating budget for FY 2027-28.

ATTACHMENT(S): None.

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
Finance	**Bret Uppendahl** **Finance Director**	**Shaun Horne** **General Manager**