REPORTS

Item No. 11 Contract Amendment for the Provision of Data Centre Colocation Services, RFP 669-2023

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the automatic renewal clause be approved and that the City enter into a contract with Xerox IT Solutions Canada Ltd. (formerly Powerland Computers Ltd.). This contract is required for a local colocation facility and services over a period of one (1) year from the date of award in the amount of $304,008 with a one-time implementation cost of $106,807.99, for a total of $410,815.99, GST and MRST extra as applicable with five (5) automatic one (1) year extensions.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes – Executive Policy Committee – September 15, 2026

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: Contract Amendment for the Provision of Data Centre Colocation Services, RFP 669-2023

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
K. Eunson-Ross	M. Walczak	J. Speidel Acting CFO	M. Pittet Acting for J. Dunford

EXECUTIVE SUMMARY

The City awarded a contract to Powerland Computers Ltd. (now Xerox IT Solutions Canada Ltd.) on December 5, 2024, for local data centre colocation services provided by Equinix Inc.

During post award negotiations, the City sought to remove the automatic renewal clause but was unsuccessful. To mitigate the financial risk, the contract was revised from a two-year initial term to a one-year term, with five one-year extensions.

Council approval is required because the contract contains an automatic renewal provision that could commit future funding.

The City can cancel the automatic renewal by providing notice before the renewal date. Innovation and Technology will actively monitor the contract and renewal deadlines to ensure the City does not unintentionally commit funding that has not yet been approved by Council.

RECOMMENDATIONS

1. That the automatic renewal clause be approved and that the City enter into a contract with Xerox IT Solutions Canada Ltd. (formerly Powerland Computers Ltd.). This contract is required for a local colocation facility and services over a period of one (1) year from the date of award in the amount of $304,008 with a one-time implementation cost of $106,807.99, for a total of $410,815.99, GST and MRST extra as applicable with five (5) automatic one (1) year extensions.

2. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total conditional amount to be paid by the City pursuant to the contract is for a purchase that obligates the City to expenditures on future budgets, Council approval is required pursuant to the Purchasing Policy F1-003.

IMPLICATIONS OF THE RECOMMENDATIONS

The funding for the project is provided from Capital Funds:

DC ColoProj1-NetworkConnectivity 3402504123
Data Centre Sustainment 3402500123
Data Centre Sustainment 3402500124
Data Centre Sustainment 3400000225

The budgets are funded from capital budgets as detailed in the Financial Impact section below.

HISTORY/DISCUSSION

The Innovation and Technology Department has two ageing data centres. These sites create risks because their infrastructure, hardware, and security systems are getting old. This can lead to slower performance, more downtime, and higher security risk.

The data centre at 510 Main Street has been in use since the 1970s. It has been upgraded several times, most recently in 2009, when cooling, power, and security systems were improved. The data centre at 700 Assiniboine Park Drive opened in 2007. It is now at full capacity for hosting hardware. It was also upgraded several times, most recently in 2022, when more cooling was added.

Using vendor-run colocation services will allow the City to move hardware and applications to a modern data centre. This will improve reliability, security, and the ability to grow in the future. It will support both internal systems and public-facing services.

RFP 669-2023 was issued on MERX on April 29, 2024. Proposals were reviewed in July 2024. On October 18, 2024, the Chief Financial Officer approved the award of contract to Powerland Computers Ltd., for Section A in the amount of $304,008 annually with a one-time implementation cost of $106,807.99, for a total of $714,823.99, GST and MRST extra as applicable for the period of two years with the option of five mutually agreed upon year extensions.

Powerland Computers Ltd. changed their name to Xerox IT Solutions Canada Ltd. on March 2, 2026.

The original Data Centre Zero initiative proposed replacing both City data centres. Since then, the City reviewed updated financial information, infrastructure conditions, and service needs. Based on that review, the City decided to replace one data centre with a colocation service and continue operating the other one. This approach better balances cost, risk, and operational needs.

Keeping one City data centre allows the City to continue using newer infrastructure while lowering overall capital and operating costs. It also avoids duplicate spending and provides a stable platform for core City services while some systems move to cloud and colocation services over time.

The three bidders of RFP 669-2023 for local data centre colocation services have Equinix Inc. as the local provider. There is no alternative local provider for these types of services.

The contract terms were reviewed with Legal Services. The original term was two years, with five mutually agreed upon one-year extensions. The first year (2024-2025) has passed. The remaining duration of the total seven-year contract was changed to a one-year term with five mutually agreed upon one-year extensions. This reduces the City's financial risk if the City decides to end the contract and move out of the data centre colocation early.

If the City does not mutually agree to an extension or cancel the service by the end of the term, then the contract will automatically be renewed for one year term.

The City asked to remove the automatic renewal clause. However, the vendor requires the clause to remain in the contract to avoid an unexpected service outage if the contract is not renewed by the end of the term.

FINANCIAL IMPACT

Financial Impact Statement **Date:** August 10, 2026

Project Name: **First Year of Program** **2026**

Contract Amendment for the Provision of Data Centre Colocation Services with Xerox IT Solutions Canada Ltd. (formerly Powerland Computers Ltd.).
RFP 669-2023

	2026	2027	2028	2029	2030
Capital					
Capital Expenditures Required	$ 151,286	$ 302,573	$ -	$ -	$ -
Less: Existing Budgeted Costs	151,286	302,573	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	4,762	9,524	-	-	-
Net Cost/(Benefit)	$ (4,762)	$ (9,524)	$ -	$ -	$ -
Less: Existing Budget Amounts	(4,762)	(9,524)	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: The direct costs above represents a contract with Xerox IT Solutions Canada Ltd. (formerly Powerland Computers Ltd). This contract is required for a local colocation facility and services over a period of one (1) year from the date of award in the amount of $304,008 with a one-time implementation cost of $106,807.99, for a total of $410,815.99, plus PST and corporate interest and administration. The contract has five (5) mutually agreed upon one (1) year extensions. Funding is available in the Data Center Sustainment projects.

Sheri Faderon for R. Bernard

Randy Bernard, CPA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- Purchasing Division, Corporate Finance Department
- Legal Services.

OURWINNIPEG POLICY ALIGNMENT

Goal: Leadership and Good Governance

Objective: Establish and implement priority actions through evidence-informed decision-making processes.

Policy 1.5 Evidence-Informed Decisions
Invest in data and technology in order to support objective, evidence-informed decision-making; support open government and open data principles for collection and sharing; help coordinate records and information management; and improve process efficiency, results-based service delivery and accountability.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan alignment and it was determined that this is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (PRS) and its Goals and Objectives, and it was determined that the PRS is not applicable to this specific report.

SUBMITTED BY

Department: Innovation & Technology
Division: Service & Infrastructure
Prepared by: M. Wenesz
Date: July 23, 2026