

Board Action Request

SUBJECT: Nextrio Managed Services Renewal

DATE: March 25, 2020

FROM: Chief Horvath, Fire Chief

Background: Nextrio provides IT managed services including network management, monitoring, and preventative maintenance for Tubac Fire District. Our current monthly cost for this service is \$3,362 or \$40,344 annually. Tubac Fire District has (2) two servers that are out of warranty and need replacement as well as six (6) switches, all owned by Tubac Fire District. In lieu of replacing these items out of strained capital budget, staff met with Nextrio to discuss a possible lease-purchase arrangement that will allow a limited outlay of funds in order to replace this equipment. As part of the lease purchase arrangements offered, Tubac Fire District will own the equipment, which has a seven (7) year useful life, at the conclusion of the agreement.

Plans presented this year for the fire board's consideration include:

1. 12-month Nextrio Managed Services (NMS) Basic Agreement \$3,160 per month
 - a. Annual Cost = \$37,920
 - b. TFD Capital Expense = \$22,554
2. 36-month NMS Basic Agreement \$2,851.20 per month
 - a. Annual Cost = \$34,214.40
 - b. TFD Capital Expense = \$22,554
 - c. Includes 10% multi-year discount
3. 36-month NMS Basic Agreement \$3,168 per month
 - a. Includes replacement of hardware and software (\$16,020) \$1,232.23 deposit
 - b. Annual Cost = \$38,016 + deposit
 - c. Requires District to pay an additional \$4,200 for installation
 - d. Requires first and last month, and deposit, to be paid upfront
 - e. TFD owns the hardware and software at the end of the agreement
4. 48-month NMS Basic Agreement \$3,168 per month
 - a. Includes replacement of hardware, software, and installation \$1,232.23 deposit (\$22,554)
 - b. Annual Cost = \$38,016 + deposit (average \$308.06 per year)
 - c. Requires first and last month, and deposit, to be paid upfront
 - d. TFD owns the hardware and software at the end of the agreement

Nextrio staff will be available at the board meeting to discuss their services and the quotes.

Fiscal Impact: Depending on the quote selected by the fire board, the District will reduce monthly service costs. The cost for capital replacement (\$22,554) will be reduced by signing a multi-year agreement.

Alternate Option: Provide staff with further direction

Legal Review: N/A

Staff Recommendation: Staff recommends approving the 48-month Nextrio Managed Services Agreement as proposed.

Proposed Motion: Move to approve Quote AAAQ14619 with Nextrio for managed IT services in the amount of \$153,296.23.

See Attachments

- Nextrio Quotes