



**Direct Award: TELUS International (CDA) Inc.  
TELUS Data Centre Co-Location Services**

Item 8

December 12, 2024

Board of Directors

**Report:** TCHC:2024-71

**To:** Board of Directors (“Board”)

**From:** Vice President, Information Technology Services

**Date:** November 13, 2024

**PURPOSE:**

To seek the Board’s approval to award TELUS International (CDA) Inc. “TELUS” **\$532,260.00** (exclusive of taxes) for Co-Location Data Center Services for three (3) years effective January 1, 2025, to December 31, 2027.

Board approval is required for the recommended award as the Procurement Award Committee (“PAC”) does not have the authority to approve a direct award. As there is no Building, Investment, Finance and Audit Committee (“BIFAC”) meeting scheduled prior to January 1, 2025, this award is presented to the Board for approval.

**RECOMMENDATIONS:**

It is recommended that the Board:

1. Approve a direct award to TELUS International (CDA) Inc. “TELUS” for \$532,260.00 (exclusive of taxes) for Co-Location Data Center Services for three (3) years (January 1, 2025, to December 31, 2027)
2. Authorize the Vice President, Information Technology Services to execute an agreement with the recommended vendor; and
3. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

**REASONS FOR RECOMMENDATIONS:****Background:**

Toronto Community Housing and the City of Toronto (“the City”) signed a Space and Services Agreement with TELUS on July 10, 2008, to lease space at their Toronto data centre facility. For several years, both TCHC and the City used this facility as a critical data centre site. All agreements with TELUS were facilitated through Office Services and the City.

In 2021, the City of Toronto notified both TELUS and TCHC of their intent not to renew their lease agreement. TCHC secured a new lease agreement directly with TELUS for a three (3) year term. A renewal of this agreement is required to ensure that TCHC retains services for their primary data centre.

**Previous Awards:**

To date, the previous total awards to TELUS for Co-Location Data Center Services are \$445,440.00. Details of the previous award were reported to the Procurement Advisory Committee and received the necessary approval.

*Table 1: Summary of Previous Awards*

<b>Date</b>	<b>Description</b>	<b>Amount</b>
December 2020	Three (3) year term co-location data center services and one-time professional services fees	\$ 445,440.00
<b>Total</b>		<b>\$ 445,440.00</b>

**PROCUREMENT PROCESS:**

The direct award is recommended under the following justification under Section 4.3(a) of TCHC’s Procurement Procedures:

- xiv. For the purchase of goods or services where there is a sound business case the details of which may include:
  - b) Total Cost of Ownership (TCO), of the purchase, including but not limited to increased productivity and efficiency, project site sequencing, staff labour savings, implementation, or usability benefits.

Renewing this primary production Data Center Co-Location Service with TELUS for the next three (3) years leverages the existing TCHC network and infrastructure investments, existing vendor circuit configurations and software investments made for continued sustained operations at the TELUS Data Centre. Information Technology Services “ITS” has no time, resources,

or budget to pursue the costly endeavor of procuring an alternate co-location services provider. Such an endeavor would be a significant undertaking to relocate all existing services, hardware, internet circuits and configurations. A relocation is cost prohibitive and will require significant investment (resources, time, and money) to ensure that all TCHC services remain operational with no additional benefits. ITS has two ongoing major strategic initiatives in flight at its data centres to replace the existing end-of-life/end-of-support Cisco server infrastructure and Hitachi SAN (Storage Array Network). Any relocations efforts will have a direct impact on TCHC's ability to continue to deliver services as significant downtime will be required to successfully move data centres.

This award is scheduled to be presented to TCHC's Procurement Award Committee ("PAC") during the week of December 9<sup>th</sup>, 2024. If it is not approved by the PAC, it will be withdrawn from the Board agenda.

**IMPLICATIONS AND RISKS:**

TELUS continues to be a valued partner for TCHC. Renewing for the next three (3) years ensures that TCHC continues to leverage its significant network and infrastructure investment for continued sustained operations. Due to the risk of prolonged disruption of critical services to staff and tenants, seeking relocation will be cost prohibitive and will require significant investment (resources, time and money). A relocation exercise will have major direct impact on TCHC's ability to deliver critical services to staff and tenants as significant downtime will be required.

A portion of these cost will be recovered through the Shared Delivery agreement with Toronto Seniors Housing Corporation.

**SIGNATURE:**

*"Luisa Andrews"*

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Luisa Andrews  
Vice President, Information Technology Services

**STAFF CONTACTS:**

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