

Approval of Data Center Contract- 36 Mo

IT-01-2026



Broadcom Tax: Market Risk 2026

- **Cost Explosions**: Organizations transitioning from legacy VMware licenses to new Broadcom subscriptions are seeing price increases from **150% to over 1,000%**.
- **Forced Bundling**: Broadcom has eliminated flexible options, forcing cities to buy expensive "all-in-one" bundles regardless of actual need.
- **Licensing Penalties**: New "per-core" rules mean the City could pay **up to 4.5x more** for the same physical servers.
- **The Solution**: Nutanix includes its own hypervisor at **no additional cost**, permanently removing VMware licensing fees from the City budget.

2026 Global RAM Shortage

- **Price Surges**: DRAM prices have jumped **171% year-over-year**, outperforming even gold in market value.
- **The AI Squeeze**: Global manufacturers (Samsung, SK Hynix) have shifted production to AI data centers, leaving municipal hardware supply dangerously thin.
- **DDR5 Crisis**: Spot prices for the high-speed RAM used in these new servers have **quadrupled** since late 2025.
- **The Solution**: Acting now locks in the **48 memory modules** included in the DR quote at current prices, avoiding the "peak pricing" expected later in 2026.



Invest in Resilience

01 — Recommending Option 2 ensures City remains fully operational during crisis

02 — Investment provides 36 months of 24/7 support and budget certainty



03 — Synchronous Replication guarantees zero data loss in a disaster scenario

04 — Automated Recovery Plans bring critical services back online quickly