



Executive Summary Finance Committee Meeting

DATE: April 23, 2026

TOPIC: District Server Replacement

PREPARED BY: Jordan Stephen

Recommended for:

- Action
- Discussion
- Information

Purpose:

The Board of Education approves all contracts and expenditures greater than \$10,000.

Background:

Over the past eight years, the District has operated its existing server infrastructure with incremental upgrades and maintenance, including periodic replacement of components such as hard drives. While this approach has been very successful, the current servers are now entering their final year of support and leaving the District searching for a comprehensive replacement strategy.

In evaluating how to proceed, the District has explored multiple options of VM (Virtual Machine) environments which included replacing the current infrastructure with similar hardware, as well as investigating new vendors like Scale Computing. Any replacement solution included not only the hardware, but also costs for items like software requirements, including hypervisors, virtual machine management, and backup solutions.

Within the industry, a significant market shift occurred following Broadcom's acquisition of VMware just a few short years ago. VMware used to charge on a package model, which means that each of our yearly licences cost around \$600. Changes in licensing models to a per core model with a minimum buy, has resulted in substantial cost increases. Currently, the District operates approximately 18 virtual machines at 144 cores. This change alone would have required the District to pay roughly \$7000 per year for the VMWare clients

alone. This change has impacted both school Districts and corporations nationwide necessitating a change in strategy.

Combined with inflation and rising costs in RAM and storage, these changes have made traditional server environments significantly more expensive to maintain. A comparable cost for a new Dell based server farm and licensing for the next three years would cost the District close to \$125,000.

In response, the technology department has conducted extensive research into alternative solutions that would still provide long term sustainability. One such solution is Scale Computing, which offers a slightly different approach to virtualization and support. Scale's model includes all-in-one licensing and support for a five-year term, with standard renewal options thereafter. This solution has gained traction among school Districts and organizations due to its cost efficiency and ease of management.

Additionally, the technology team has undertaken a thorough review of the District's current server usage. Due to changes within the State testing platforms to full cloud-based platforms, the upcoming implementation of a new phone system that no longer requires on-premise servers, and our team's ability to consolidate services, the District can reduce the total number of virtual machines required. This reduction directly lowers both infrastructure and future operational costs.

Equipment Refresh:

- The Administrative team is recommending the following to be refreshed within the District's Data Center.
- The District will purchase 3 Scale Computing HyperCore Server Nodes
- The system will be configured with 384 GB of RAM and over 40 TB of storage space for our Virtual Server environment.
- All current Servers will be turned down and used as onsite back up machines in case an issue would arise in which the District would need to use one for a specialty purpose or one-off projects.

Fiscal Impact:

The initial purchase price for our current server environment was around \$40,000 and over the past eight years the District has invested a total of around \$60,000 in hardware, licensing and support costs, and parts to maintain the current environment. The proposed solution represents a modernized, simplified infrastructure designed to reduce complexity and improve reliability and performance. The administrative team recommends the purchase of a Scale Computing server environment hardware replacement at a total cost of \$75,154 which includes hardware, software, initial setup and support and licensing for 5 years.

Recommendation:

The Finance Committee concurs with the Administration's recommendation to the Board of Education to continue with the installation of a Scale Computing Server infrastructure, training and migration of Virtual Machines and data in an amount not to exceed \$76,000.