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To: The Board of Education and Dr. Patrick Broncato, Superintendent  
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO  
Date: May 15, 2026  
Subject: Recommendation to Approve VMWare Renewal for 2026-27

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A few years ago, as we were updating our network infrastructure and streamlining our network operations by moving various functions and databases to the cloud, we replaced several old, standalone servers with a Dell VXRail Server and installed VMWare software on this server to manage and track in-house programs and databases. This past year, two things have happened that are forcing us to change directions and look for a new solution for our in-house operations. First, Dell has discontinued production of its VXRail Server technology (hardware) and will be phasing out hardware support over time. Additionally, and more importantly for us right now, a company called Broadcom recently acquired VMWare (the proprietary software that VXRail runs on) and they are looking to transition away from supporting small and medium sized clients who use VMWare and only support large and growing companies on this platform.

Mike Feeley has been trying to get a price quote from Broadcom for a one year VMWare maintenance and support contract extension since before Christmas (our maintenance agreement actually expired at the end of April) with little success. We even solicited the help of both Sentinel Technologies and Trace 3 to try and get renewal proposals from Broadcom, and we finally just got a proposal at the end of April through Trace 3 (right before our contract expired). In short, Broadcom is pricing out small and medium sized organizations with oversized maintenance agreements, poor contract terms and few, if any, choices to extend beyond this year

The three year hardware and software maintenance and support agreement that just expired cost about \$18K per year for hardware support and \$22K per year for software support, and we were hoping to get a similar renewal for our one year software extension. However, Broadcom has forced us to take a one year service agreement extension for about twice as much core memory as we need and charging us over \$40K in the process. As this agreement is about twice what we had expected to pay, and is over the \$25K limit requiring Board approval, we are therefore bringing this recommendation to you on short notice. We are already working with Sentinel Technologies to develop alternate plans for next spring to replace both the VXRail Server and the VMWare Software, but for now, we simply have no choice but to renew with



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Broadcom for one more year at their terms and pricing. We hope to have a plan in place by this fall to replace the VXRail and VMWare, and will update the Board accordingly as part of our annual technology purchasing program. We do have money available in the budget to cover this additional cost, and we believe that the new solution will be much more economical, properly sized for our needs, and include better and fairer contract terms.

I have attached some additional information from Josh Halverson, as well as the VMWare Renewal Agreement for 1 year. As mentioned earlier, this will allow us to continue supporting local in-house applications as we continue to move more and more programs, platforms, systems and data bases to the cloud in order to be as efficient as possible going forward. As always, if you have any questions, please let me know. Thank you.

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## **RECOMMENDATION**

It is the recommendation of the administration that the school district renew/extend its VMWare software maintenance and support agreement with Broadcom through Trace 3 Technologies of Grand Rapids, MI, for one year (5/1/26-4/30/27) at a cost of \$40,784.64, as presented. This contract extension will be paid for from the Education Fund Technology Budget with existing funds, as allocated. With Board approval, we would sign the associated proposal and issue payment accordingly.