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WHITE PAPER

Ten Guidelines for Selecting a Colocation Service Provider



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The digital economy is creating extraordinary growth and opportunity for businesses. At the same time, it is creating new challenges for I & O leaders charged with providing distributed digital infrastructure strategies.

Gartner describes it this way, "The way we do business has changed. We are more collaborative than ever before: We are synching more and sharing more, and we expect real-time performance on a global scale. We want to migrate complex workloads to the cloud, but we want local access — edge solutions."¹

Many I & O leaders are looking to colocation providers to support their delivery strategies. Colocation offers availability, reliability, interconnectivity, energy efficiency, and scalability. Specifically, it can provide for both edge and cloud connectivity as well as offering accommodation for geographically diverse and complex application deployments.

In this white paper we share what you need to know before you begin your colocation search and 10 tactical guidelines for selecting your provider.

What You Need to Know Before You Begin

- When you launch your colocation site research and selection process, we recommend that you involve information security and the facilities/engineering team from the get go. Diligent and seamless coordination can avoid costly errors.
- Also, recruit a multi-disciplinary IT project team that includes lead architects and engineers from infrastructure, network, and disaster recovery to assist with developing the search criteria and ultimately a colocation site. Miscalculations in equipment densities, network design, power capacities, etc., could affect IT operations and availability.

¹Gartner *Top 10 Emerging Trends Affecting Digital Infrastructure and Operations in 2019*, David Cappuccio and Ross Winsler, February 2019.

- Don't underestimate the importance of communication within the project team. While this may seem rote and mundane, most difficulties and disruptions can be traced back to a lack of communication between three major functional factors — IT requirements, location of the facility, and design specifications.
- Clearly set planning expectations for the project team to include projected growth for at least the next 3 years and factor this planning time into the project's timeline.

Ten Guidelines

The 10 tactical guidelines that follow for selecting a colocation provider apply universally for small or large relocations.

1. Determine compute, storage and network needs

First, begin by building a list of all the hardware that will be hosted at the site along with their power requirements. Next, determine the size, number, and type of racks planned for deployment at the site. Finally, determine the expected rate of growth for the site over the next 3 years plus surge requirements. You will later use these specifications when negotiating your lease. Reducing the committed kW is not typically an option until contract renewal. Expanding the committed Kw number is easily done, provided the facility has the ability to absorb the additional requirement.

2. Determine facility requirements

Establish a minimum facility requirements list and another list for features that are added benefits. Consider these factors:

- Tier I, II, III or IV facility
- Stand-alone facility, i.e., not in a shared office building
- Contiguous space versus disjointed
- Metered service

- Carrier neutrality
- Raised floor versus above rack cabling
- Direct cloud connectivity
- Power density per rack
- Maximum rack height
- Cage requirements below the floor or covered
- Physical security for the space (keyed entry, badge entry, biometric reader, reporting and visitor requirements, etc.)
- Cross-connections and demarc access
- Additional services such as rack setup, remote hands, smart hands, office space, equipment storage, loading docks, and parking
- Availability of on-site personnel
- Regulatory compliance and industry standards and certifications

Most difficulties and disruptions can be traced back to a lack of communication between three major functional factors:

- *IT requirements*
- *Facility location*
- *Design*

3. Determine the geographic requirements

What are your priorities for geographic diversity? Does the site need to be in close proximity to the corporate complex? Is synchronous replication going to be used? Are any applications in the environment sensitive to latency? If the colocation site is a disaster recovery site, inquire about its locale relative to fault lines, flood and fire zones, severe weather incidences, security risks, and proximity to public transit.

4. Establish the circuit design requirements and constraints

Before the search begins know your limitations for network latency, bandwidth, and the physical distance limitations between sites. If software or hardware requirements affect these limitations, identify them as well.

5. Identify colocation service provider sites

List the colocation service provider sites that meet the established minimum requirements. For planning purposes, it is also good to understand what type of reviews (credit check, security/background check, etc.) each provider requires of potential tenants and who within

your organization will be responsible for providing the requested information.

6. Determine availability of circuit providers

Determine all of the available circuit providers with high-speed connectivity to the colocation provider sites that your team is considering. Evaluate the types of connections and their speeds. It is important to note that cost structures for circuit providers can vary widely. Some carriers may require a 3-year commitment but not include one-time charges; others may only require a 1-year commitment but include one-time charges. It is important to normalize the cost structures between the carriers in order to reasonably evaluate and compare their offerings.

7. Pick three circuit providers and negotiate

For sites and circuit providers, always select 3 options for consideration to leverage quotes against the other. Depending on the region and tier of service, it can be a renters market, and negotiated costs can be reduced up to 30%. If your organization has a relationship with a research and advisory firm, it may also be of value to request their review for insight into customary rates and terms of service.

8. Understand the timelines for internal review of legal documents

It is important to secure a timeline commitment for internal legal reviews at the front end of the project before establishing a project plan. Non-disclosures, license agreements, purchase orders, amendments, riders, etc. require legal review and possibly a number of back and forth iterations with the vendor's legal team. Timeline commitments for internal legal reviews need to be factored into the project timeline.

9. Establish priorities.

With your lists firmly in hand and your market research completed, begin establishing the importance of pricing, data center design, service levels, terms and conditions, and business processes. Weigh them in relation to their overall importance for the relocation. Use these priorities to guide your decision-making process.

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10. Select a Colocation Facility

Using your priorities as the guide, determine at least 3 colocation facility service providers who are contenders. Develop a formal request for proposal and invite the facilities to participate. Tour the sites and document your findings for comparison later on.

Selecting a colocation service provider is a process that incorporates and prioritizes a myriad of details. It can be easy to lose site of the big picture. These guidelines will help to streamline the process and ensure the right service provider is selected for your organization's needs.

The Ten Tactical Guidelines

1. Determine compute, storage and network needs
2. Determine facility requirements
3. Determine the geographic requirements
4. Establish the circuit design requirements and constraints
5. Identify colocation service provider sites
6. Determine availability of circuit providers
7. Pick three circuit providers and negotiate
8. Understand the timelines for internal reviews of legal documents
9. Establish priorities
10. Select a colocation facility