

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 97-157
MARCH 24, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
APPROVAL OF INTERNET ACCESS AGREEMENT WITH ITTC	◆ RESOLUTION ORDINANCE RECEIVE/FILE	RICHARD A. CLARK LAURA ISENSTEIN, CO-CHAIRS DATA MANAGEMENT & COMMUNICATIONS COMMITTEE

SYNOPSIS —

The City's Data Management and Communications Committee has recommended, as part of its immediate goals, that the City establish a presence on the World Wide Web(WWW) and provide for Internet access. An integral step in accomplishing this mission is the need for a communications connection to the Internet.

On March 24, 1986, the City entered into a 28E Agreement with the State of Iowa for communications services. As a result, the City is an eligible user of State communication services provided through the Iowa Telecommunications and Technology Commission (ITTC). Staff proposes the City begin using ITTC Internet Access Service. Doing so will save the City between \$3,600 and \$5,500 annually as evidenced from informal quotes obtained from two other similar service providers.

The City will purchase network equipment to be installed at the Armory Building for the ITTC Internet connection. The City currently leases McLeod USA fiber between the Armory and the Merchants Building, 312 8th Street, 6th Floor, Des Moines, Iowa. Because this same fiber is being used for other existing City services, there will be no additional ongoing charges for Data Communications(Frame Relay T1). There will be two one-time charges, one for labor and material cost, to McLeod USA, to create termination points required to make the ICN connection, estimated to total approximately \$300. The second one-time charge of \$2,600 for Administrative fees to ITTC to connect the City to the Internet.

Terms of the attached Agreement have been modified by ICN to the following sections:

- 4.1 ICN will hold to and honor the agreed upon pricing stated in the contract for a period of (1) one year from the date of signing this Agreement.
- 5.1 The term of Service is (1) one year and shall automatically renew for successive (1) one-year periods at ICN's then current rates.
- 6.1 Either party may terminate the Agreement for any reason by providing the other party with (90) ninety days prior written notice that it is terminating the Agreement.

The ITTC has a Service Agreement with McLeod USA, to maintain the fiber optic connection to the ITTC in the greater Des Moines area. The City must enter into an agreement with ITTC to provide Dedicated Internet Access for a City Web-

Site with multiple links to City department information on the World Wide Web (WWW).

FISCAL IMPACT — ITTC charges for Dedicated Internet Access total \$8,368 annually. Similar dedicated Internet access, offered by other providers in the greater Des Moines area, ranges from \$12,000 to \$14,000 annually. Therefore, utilizing the ICN service is the most cost effective way to provide a City internet connection. Funding for Internet Access has not been addressed in the Operating Budget. However, as noted in the City Manager's FY1997-98 Operating Budget Message, these costs will not impact total budgeted expenditures. Rather, any technology-related costs, falling within the scope of the Data Management and Communications Report, will initially be covered from salary savings, and will be incorporated into the operating budget beginning in FY1998-99.

RECOMMENDATION — Approval of Internet Access Agreement with ITTC.

BACKGROUND — On March 24, 1986, the City Council approved a 28E Communications Service Agreement with the State of Iowa Department of General Services. This Agreement was renewed by Council on December 5, 1988. The 1988 renewal provides for automatic annual renewals unless one party or both decide to terminate the Agreement.

City legal has reviewed the Internet Access Agreement with ITTC with the following recommendation. The procurement of this additional connection would not require the use of competitive procurement procedures (bidding), in that procurement of such additional connections was anticipated by the existing contract with ITTC, and by virtue of the fact that such telecommunications connections constitute "utility services" with are exempt from the competitive bidding requirement under Section 2-86(a)(4) of the City Code.

This 28E Intergovernmental Agreement allows the City and State to partner for communications support and service. Such partnering is consistent with the recommendations contained in the City's Data Management and Communications Committee report which emphasizes the need to work with others entities to address mutual technology needs.