



BRECKENRIDGE CITY COMMISSION AGENDA SUMMARY FORM

Subject: Discussion and any necessary action regarding updating Optimum Contract

Department: Administration

Staff Contact: Cynthia Northrop

Title: City Manager

BACKGROUND INFORMATION:

Last October the Mayor and Commissioner authorized the City Manager to enter into an agreement with Optimum to provide upgraded fiber internet service for the city. At the beginning of the project, it was discovered that the cost to onboard one of the locations was not accurately calculated by Optimum. Additionally, the city wanted to add a location to the service (the Cemetery).

A competitive pricing proposal was presented where Optimum is absorbing the upfront capital cost of providing fiber to our city facilities. With the increased cost for one of the locations not calculated accurately and in consideration of adding another location, Optimum is proposing the same pricing structure but increasing the contract terms from five years to seven years.

Considering it is unlikely that there will be another fiber option, staff believe this is a reasonable request to update the contract terms.

As a reminder, I've included part of the background information previously provided for convenience:

As a part of the continuing budget analysis, looking for increasing efficiencies, we have been researching our telephone/internet expenses along with our IT Consultants, Tolar. We have not had consistency in departmental use of internet providers, level of internet service and reliability and our phone system is old and obsolete.

We have limited choice in internet providers and service type. Currently, City Hall uses Optimum, some departments use AT&T and some use New Source Broadband, which also serves as redundancy for all city facilities (the recent contract update with them increased the level of service but it is still not a high level of service). While the overall cost of the Optimum service is slightly more than our current costs, upgrading our internet will provide a significantly higher level of service and a higher level of reliability, which impacts work productivity.

Additionally, upgrading the internet service will allow us to update our obsolete phone system as an upgraded internet is required to support voice-over-internet-protocol (VOIP). A VOIP system allows for more functionalities as well. The VOIP system contract will be a separate agenda item.

FINANCIAL IMPACT:

The contract is \$2840 monthly/\$34,080 annually for a term of seven years for the following locations:

105 N Rose/City Hall

120 E Elm/Fire

609 Dubois/Top Shop

1548 FM 287/Wastewater Treatment Plant

510 S Breckenridge Ave/Water Treatment Plant

503 Hulum/Parks

1301 E Elliott/Cemetery

STAFF RECOMMENDATION:

Recommend authorizing the City Manager to update and execute the Optimum agreement for internet services as presented.