

COUNCIL ACTION FORM

SUBJECT: CENTURYLINK 36-MONTH INTERNET SERVICE AGREEMENT

BACKGROUND:

The City currently contracts with CenturyLink to provide Internet service at a 20 Mbps data transfer rate at a cost of \$1,854.48 per month or \$22,253.76 per year. The current 36-month contract with CenturyLink is due for renewal. This service is shared by 17 City locations through the City network. Due to increasing Internet utilization and a growing reliance on the Internet for communications and information to provide City services, it has become necessary to increase our present bandwidth to a 30 Mbps data transfer rate. CenturyLink has quoted monthly rates for the 30 Mbps Internet service as follows:

12-month contract at \$2,512.70 per month
36-month contract at \$2,193.00 per month

By entering into a 36-month agreement, the City will save approximately \$3,800 per year. Because the 36-month contract option covers more than one year, City Council approval is required. The CenturyLink agreement contains a “non-appropriation” clause, giving the City the option to unilaterally cancel the contract if funds are not appropriated by City Council in future years. The added annual costs are being included in the revised 2013/14 and proposed 2014/15 budgets, which will be presented to Council in January.

ALTERNATIVES:

1. Approve an agreement between the City of Ames and CenturyLink to provide 30 Mbps data transfer rate Internet service for a 36-month period at a cost of \$2,193 per month, or \$26,316 per year.
2. Approve an agreement between the City of Ames and CenturyLink to provide Internet service for the City of Ames for a 12-month period at a cost of \$2,512.70 per month, or \$30,152.40 per year.

MANAGER’S RECOMMENDED ACTION:

By approving an agreement with CenturyLink to provide Internet service for the City, we will be providing high-speed, dedicated service that will meet our current and future Internet bandwidth requirements.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving an agreement between the City of Ames and CenturyLink to provide 30 Mbps data transfer rate Internet service for a 36-month period at a cost of \$2,193 per month, or \$26,316 per year.