

COUNCIL ACTION FORM

SUBJECT: CENTURYLINK 36-MONTH PRIMARY RATE INTERFACE TELEPHONE SERVICE AGREEMENT

BACKGROUND:

The City contracts for telephone service with CenturyLink to provide 46 Primary Rate Interface (PRI) telephone connections to the main telephone switch located in City Hall. This telephone switch provides the telephone service for all City of Ames departments. The current 36-month contract with CenturyLink is due for renewal. The present rate is \$1,160 per month. CenturyLink has quoted monthly rates for the PRI telephone service as follows:

12-month contract at \$1,160 per month
36-month contract at \$ 810 per month

By entering into a 36-month agreement, the City will save approximately \$4,200 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.

ALTERNATIVES:

1. Approve an agreement between the City of Ames and CenturyLink to provide PRI telephone service for a 36-month period at a cost of \$810 per month, or \$9,720 per year.
2. Approve an agreement between the City of Ames and CenturyLink to provide telephone service for a 12-month period at a cost of \$1,160 per month, or \$13,920 per year.

MANAGER'S RECOMMENDED ACTION:

By approving an agreement with CenturyLink to provide PRI telephone service for a 36-month period, the City will save \$4,200 per year.

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 PRI telephone service for a 36-month period at a cost of \$810 per month, or \$9,720 per year.