

COUNCIL ACTION FORM

SUBJECT: CENTURYLINK 36-MONTH LINE VOLUME PLAN AGREEMENT

BACKGROUND:

The City of Ames contracts for telephone service with CenturyLink to provide 43 business telephone lines. These business lines provide telephone service to City locations, traffic signals, river gauges, and alarms. The present month-to-month business line rate is \$1,526.50 per month, or \$18,318.00 per year for these 43 business lines. A CenturyLink Line Volume Plan (CLVP) would allow the City to vary between 10–49 business lines at a lower fixed rate. CenturyLink has quoted monthly rates for the Line Volume Plan telephone service as follows:

Current month-to-month contract at \$35.50 per month per line
24-month contract at \$26.99 per month per line
36-month contract at \$24.99 per month per line

By entering into a 36-month agreement, the City will save approximately \$5,400 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, which fulfills a legal requirement to give the City the option to unilaterally cancel the contract if funds are not appropriated by the Council in future years.

ALTERNATIVES:

1. Approve a Line Volume Plan agreement between the City of Ames and CenturyLink to provide telephone service to the City for a 36-month period at a cost of \$1,074.57 per month, or \$12,894.84 per year.
2. Approve an agreement between the City of Ames and CenturyLink to provide telephone service for a 24-month period at a cost of \$1,160.57 per month, or \$13,926.84 per year.

MANAGER’S RECOMMENDED ACTION:

By approving a 36-month Line Volume Plan agreement between the City and CenturyLink, the City will save \$5,423.16 per year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a Line Volume Plan agreement between the City and CenturyLink to provide telephone service for a 36-month period at a cost of \$1,074.57 per month, or \$12,894.84 per year.