City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:

Matthew J. Fertal

From:

Charles Kalil

Dept.:

City Manager

Dept.:

Information Technology

Subject:

RENEWAL OF INTERNET SERVICE

Date:

July 28, 2009

PROVIDER AGREEMENT WITH

TIME WARNER CABLE

OBJECTIVE

To seek City Council authorization of a four-year renewal of the agreement with Time Warner Cable to provide services as the City's Internet Service Provider (ISP).

BACKGROUND

On July 25, 2006, City Council approved a three-year agreement with Time Warner Cable to provide services as the City's ISP. Time Warner offered the best price and was able to meet the high bandwidth service requirements of the City.

<u>ANALYSIS</u>

The City is currently paying \$1,810 per month for the ISP services provided by Time Warner Cable. Based on a four-year renewal of the existing service agreement, staff negotiated a reduced monthly payment of \$1,200. This represents a \$610 per month or a 33.7 percent savings.

Staff researched and found current state negotiated Calnet 2 pricing for ISP services from AT&T to be \$2,103 per month plus a \$2,000 installation charge. Time Warner's proposed rate is \$903 less than this state negotiated rate and due to the existing infrastructure for these services there would be no installation charge.

FINANCIAL IMPACT

The total cost of the four-year agreement would be \$57,600 and is budgeted within the Information Technology Department's contractual services budget. The renewal rate of \$1,200 per month would result in a cost reduction of \$29,280 over the four-year period.

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COMMUNITY VISION

Internet service fosters an informed community by enhancing the City's ability to communicate with the general public, community organizations, and service providers.

RECOMMENDATION

It is recommended that City Council:

- Approve a four-year renewal of the agreement with Time Warner Cable in the amount of \$57,600 to continue to provide services as the City's Internet Service Provider; and
- Authorize the City Manager to execute the agreement on behalf of the City.

CHARLES KALIL, Director

Information Technology Department

Attachment: Renewal Addendum

Recommended for Approval

Matthew Fertal City Manager

July 7, 2009 Renewal Addendum for the City of Garden Grove

Addendum to Dedicated Access Service Agreement signed on 08/20/2006 for 10Mbps

This addendum agreement is subject to the terms and conditions of the Dedicated Access Agreement signed on 08.20.06 between the City of Garden Grove and Time Warner Cable (TWC). TWC shall provide the City of Garden Grove with a dedicated access circuit renewal and upgrade (select options below).

Renewal - 10Mbps

• 10Mbps dedicated fiber Internet access Flat Rate Billing

Customer must purchase any additional capacity and/or static IPs separately.

NEW Monthly Recurring Fee:

10Mbps

4 Year

\$1200/mo

Term of Service - See option selected above

CUSTO	OMER:	TWC:	
Ву:		By:	
Name:		Name:	David Montierth
Title:		Title:	President of Commercial Services
Date:		Date:	

APPROVED AS TO FORM
BY OMEN DANGEVAL
ASSISTANT City Attorney
Date: 7-16-09