



**CITY OF PLANO  
COUNCIL AGENDA ITEM**

|   |   |                              |  |                     |                   |
|---|---|------------------------------|--|---------------------|-------------------|
| <b>CITY SECRETARY'S USE ONLY</b>  |   |                              |  |                     |                   |
| <input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory  |   |                              |  |                     |                   |
| Council Meeting Date:   |   | 08/23/10                     |  |                     |                   |
| Department:   |   | Telecommunications           |  |                     |                   |
| Department Head   |   | David Stephens               |  |                     |                   |
| Agenda Coordinator (include phone #): <b>Amy Powell X7342</b>   |   |                              |  |                     |                   |
| <b>CAPTION</b>  |   |                              |  |                     |                   |
| <b>A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of Amendment Three to Verizon Business Services Agreement by and between Verizon Business Network Services, Inc. on behalf of MCI Communications Services, Inc. and the City of Plano; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.</b>   |   |                              |  |                     |                   |
| <b>FINANCIAL SUMMARY</b>  |   |                              |  |                     |                   |
| <input type="checkbox"/> NOT APPLICABLE <input checked="" type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP   |   |                              |  |                     |                   |
| FISCAL YEAR:  | <b>2009-10; 2010-11; 2011-12; 2012-13</b> | <b>Prior Year (CIP Only)</b> | <b>Current Year</b>                                | <b>Future Years</b> | <b>TOTALS</b>     |
| Budget  | 0   | 1,791,576                    |  |                     | <b>1,791,576</b>  |
| Encumbered/Expended Amount  | 0   | -1,403,284                   | 0  |                     | <b>-1,403,284</b> |
| This Item   | 0   | 21,549                       |  |                     | <b>21,549</b>     |
| BALANCE   | 0   | 409,841                      | 0  |                     | <b>409,841</b>    |
| <b>FUND(S):    TECHNOLOGY SERVICES FUND</b>   |   |                              |  |                     |                   |
| <b>COMMENTS:</b> Annual expenditures for network access connections and the monthly service contract fees will be reduced by \$21,549 in the Telecommunications Department. The annual savings will be available for other operating expenditures related to communications and data services.  |   |                              |  |                     |                   |
| <b>STRATEGIC PLAN GOAL:</b> This item relates to the City's Goal of "Financially Strong City with Service Excellence".  |   |                              |  |                     |                   |
| <b>SUMMARY OF ITEM</b>  |   |                              |  |                     |                   |
| Staff recommends approval of the Resolution and Contract Amendment Three to the Verizon Business Services Agreement for the City of Plano. Amendment Three to the contract will reduce the monthly recurring charges for our current T3 (45mbps port tiered) from the contractual discounted price of \$6,559 (list price is \$11,925) to monthly recurring charges of \$4,763, a savings of \$1,796 per month and annual savings of \$21,549.00. Verizon is extending special pricing to the City of Plano based on their Internet Dedicated Bundled Select Promotion. |   |                              |  |                     |                   |
| List of Supporting Documents:   |   |                              | Other Departments, Boards, Commissions or Agencies |                     |                   |
| Resolution  |   |                              |  |                     |                   |

**A Resolution of the City Council of the City of Plano, Texas, approving the terms and conditions of Amendment Three to Verizon Business Services Agreement by and between Verizon Business Network Services, Inc. on behalf of MCI Communications Services, Inc. and the City of Plano; authorizing its execution by the City Manager or his authorized designee; and providing an effective date.**

**WHEREAS**, Verizon Business Network Services, Inc. on behalf of MCI Communications Services, Inc. (“Verizon”) and the City of Plano entered into an agreement for dedicated Internet services on May 11, 2006; and

**WHEREAS**, Verizon and the City of Plano amended the original agreement by executing a First Amendment on June 20, 2006 and a Second Amendment on May 4, 2007; and

**WHEREAS**, the City Council has been presented a proposed Amendment Three to Verizon Business Services Agreement by and between Verizon Business Network Services, Inc. on behalf of MCI Communications Services, Inc. and the City of Plano, a substantial copy of which is attached hereto as Exhibit “A” and incorporated herein by reference (hereinafter called “Amendment Three”); and,

**WHEREAS**, upon full review and consideration of Amendment Three, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions thereof should be approved, and that the City Manager or his authorized designee shall be authorized to execute it on behalf of the City of Plano.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**Section I.** The terms and conditions of Amendment Three, having been reviewed by the City Council of the City of Plano and found to be acceptable and in the best interests of the City of Plano and its citizens, are hereby in all things approved.

**Section II.** The City Manager or his authorized designee is hereby authorized to execute Amendment Three and all other documents in connection therewith on behalf of the City of Plano, substantially according to the terms and conditions set forth in Amendment Three.

**Section III.** This Resolution shall become effective immediately upon its passage.

**DULY PASSED AND APPROVED** this the 23rd day of August, 2010.

\_\_\_\_\_  
Phil Dyer, MAYOR

ATTEST:

\_\_\_\_\_  
Diane Zucco, CITY SECRETARY

APPROVED AS TO FORM:

\_\_\_\_\_  
Diane C. Wetherbee, CITY ATTORNEY

## **AMENDMENT THREE TO Verizon Business Services Agreement**

This Amendment Three to the Verizon Business Services Agreement between City of Plano ("Customer") and Verizon Business Network Services, Inc. on behalf of MCI Communications Services, Inc. ("Verizon") is made as of the last date of execution shown below. Provided that this Amendment is executed by Verizon, the rates, charges and discounts contained herein will be effective on the first (1st) day of the second (2nd) billing cycle following Customer's signature and delivery of this Amendment to Verizon ("Amendment Effective Date"). The Agreement executed by Customer on May 11, 2006 and the previous amendments are as follows: First Amendment, executed by Customer on June 20, 2006; Second Amendment, executed by Customer on May 4, 2007. The Agreement and the Amendment(s) are referred to collectively herein as the "Agreement."

WHEREAS, the Agreement was signed by Customer on May 11, 2006 and Customer has been using Verizon Dedicated Internet Services pursuant to such Agreement, and

WHEREAS, the original term and the extended term has expired but Customer has continued to use the services on a month to month basis, and

WHEREAS, Customer desires to increase its bandwidth and to take advantage of any current cost savings that may be available to it,,

NOW THEREFORE, the parties hereto agree to amend the Agreement as follows:

1. **Section 2, Term and Survival:**

The parties hereto agree to extend the term of this Agreement for thirty-six months commencing upon acceptance of this Agreement by Verizon.

2. **Service Attachment, Internet Dedicated Service:**

Delete the original Internet Dedicated Service Attachment and insert instead the new Internet Dedicated Service Attachment which is attached hereto and hereby made a part of the Agreement.

3. **Network Access Service Attachment:**

Delete the original Network Access Service Attachment and insert instead the new Network Access Attachment which is attached hereto and hereby made a part of the Agreement.

3. **General Installation Waiver Promotion:**

Add the General Installation Waiver Promotion Attachment to this Agreement. It shall apply to the newly ordered services ordered pursuant to this Amendment. It is hereby attached hereto and made a part hereof.

4. **Acceptance.**

The pricing and promotional benefits reflected in this Amendment Three may not be available unless this Amendment is signed and returned to Verizon on or before August 31, 2010.

Except as herein specifically modified, the Agreement remains unchanged.

IN WITNESS WHEREOF, the parties hereto have caused their authorized signatories to sign below.

**City of Plano**

**Verizon Business Network Services, Inc.  
On behalf of MCI Communications Services, Inc.**

By: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**INTERNET DEDICATED SERVICE  
SERVICE ATTACHMENT**

**1. Rates and Charges.**

**1.1 Monthly Recurring Charges and Non-Recurring Charges.**

1.1.1 Customer will pay the monthly recurring charges ("MRC"), which are fixed for the Term of this Agreement and the non-recurring charges ("NRC") for Internet Dedicated Services in the contiguous U.S. (includes Internet Dedicated NxT1 Service, Internet Dedicated T1 Service, Internet Dedicated T3 Service, Internet Dedicated OC3 Service, Internet Dedicated OC12 Service, Internet Dedicated OC48 Service, Internet Dedicated GigE Port Only Service, Internet Dedicated Ethernet Service and Internet Dedicated Fast Ethernet Port Only Service), in Alaska (includes Internet Dedicated NxT1 Service, Internet Dedicated T1 Service, Internet Dedicated T3 Service, Internet Dedicated OC3 Service, Internet Dedicated OC12 Service and Internet OC48 Service), ("Internet Dedicated Service") and attendant options listed, as applicable, in the Guide for VBSIII. Additional charges are set forth in the Guide for VBSIII.

1.1.2 Installation may be scheduled between the hours of 8AM and 7PM ET Monday through Friday (excluding holidays). If Customer requires installation outside of these hours, Verizon will charge an additional \$500 fee.

1.2 **Access Charges.** Access ("local loop") circuit charges are separately priced and may be found in the Access portion of the Guide. If Customer orders its own local loop circuits, Verizon's Network Connection Charge – also set forth in the Guide – shall apply.

2.1 Internet Dedicated Service. In lieu of all other rates, discounts and promotions, Customer will receive the following pricing for Internet Dedicated Service VBS III. Access is not eligible for these discounts and is additional.

| <b>Internet Dedicated Service</b> | <b>Monthly Recurring Charge</b> | <b>Origination</b> |
|-----------------------------------|---------------------------------|--------------------|
| <b>T-3-45Mbps</b>                 | <b>\$2808.00</b>                | <b>PLANTXXA</b>    |

**3. Terms and Conditions.**

3.1 The Internet Dedicated Services provided pursuant to this Attachment are governed by the Guide provisions relating to Internet Dedicated Service, as supplemented by this Attachment and the related Agreement. Pricing for Integrated Internet Access is also included, as applicable, in the pricing set forth in the Guide.

3.2 **Access.** Access to a router at an Verizon Network hub near Customer's site may be interrupted for (i) scheduled maintenance (usually scheduled during off-hours at an Verizon hub, such as Tuesdays and Thursdays between 3:00 AM and 6:00 AM local time), (ii) emergency maintenance, or (iii) as otherwise set forth in the Agreement.

- 3.3 **Verizon Internet Dedicated GigE Port Only Services.** Verizon's Internet Dedicated GigE Port Only Service and 10GigE Port Only Service are intra-building connectivity products, and thus the Customer's demarcation point must reside within the same building as a GigE-qualified Verizon-owned network hub. To ensure proper installation, Verizon will order all telco lines within the telco facility where the Verizon hub is located.
- 3.4 **Customer Obligations – Service Not To Be Resold.** While Customer can resell Internet connectivity, Customer cannot resell the Internet Dedicated Service in its entirety to another person or entity without the express prior written consent of Verizon. If Customer resells Internet connectivity to end users, Customer is responsible for: (i) providing the first point of contact for end user support inquiries; (ii) providing software fulfillment to end users; (iii) running its own primary and secondary domain name service DNS for end users; (iv) registering end users' domain names; (v) using BGP routing to the Verizon Network, if requested by Verizon; (vi) collecting route additions and changes, and providing them to Verizon; and (vii) registering with the appropriate agency all IP addresses provided by Verizon to Customer that are allocated to end users.
- 3.5 **Burstable Downgrade.** Customer may downgrade to a lower Burstable Service level if Customer's Measured Use Level is at or below such Burstable Service level for at least two consecutive months and Customer thereafter requests the downgrade in writing.
- 3.6 **Burstable Select Upgrades/Downgrades.** Customer may change (upgrade or downgrade) its Burstable Select Service Level once within a given calendar month, by requesting the same in writing. The new Service Level and applicable charges will take effect on the first day after the end of the billing cycle during which the written request is received.
- 3.7 **Terms/Early Termination.**
- 3.7.1 The "Service Activation Date" for an Internet Dedicated Service ordered hereunder will be the date the Internet Dedicated Service is available to route IP packets at Customer's site. The term of any Internet Dedicated Service ordered hereunder shall commence upon the Service Activation Date and will (except as indicated in section 3.7.2) automatically renew, expire and terminate according to the terms of the Agreement.
- 3.7.2 The minimum term commitment for each circuit ("Service Term") for Verizon Internet Dedicated OC-3, OC-12, OC-48 and Fast Ethernet, Ethernet Service, 10GigE Port Only and GigE Port Only, is one year. If the Agreement terminates or expires prior to the termination of this Service Attachment, this Service Attachment with respect to the aforementioned services shall continue in full force and effect under the terms and conditions of the Agreement for the longer of the minimum Service Term or the Service Term otherwise agreed to by Customer. If Customer terminates the aforementioned services before the end of the Service Term for reasons other than Customer termination for Cause, Customer will pay an amount equal to 75% of the MRC for the discontinued service(s) multiplied by the number of months remaining in the unexpired portion of the Service Term, plus a pro rata portion of any and all credits received by Customer, in addition to any amounts owed for service already received.

**NETWORK ACCESS SERVICES**  
Service Attachment

1. **Rates and Charges.** Customer will pay the monthly recurring charges ("MRC") and one-time charges related to Verizon Business Services III ("VBS III") network access services as follows:

1.1 **Network Services Local Access Services.** Analog Local Access, DSO (Hubless) Access, T-1 (DS1) Digital Access, DS3 Local Access and SONET Access (collectively known as "Time Division Multiplexor ("TDM")-based access services") are provided pursuant to the Guide provisions relating to Network Services Local Access Services, VBS III.

1.2. **Ethernet Services.** Ethernet Access and Ethernet Private Line ("EPL") Access (collectively known as "Ethernet Access Services") are provided pursuant to the Guide provisions relating to Ethernet Services, VBS III.

2. **Special Pricing.**

2.1 **Network Services Local Access Services.** In lieu of all other rates, discounts and promotions, Customer will pay the following local loop Monthly Recurring Charges ("MRCs") for TDM-based Network Services Local Access Services, which are fixed for the Term, based upon the circuit type (i.e., Analog, DSO, T1/DS1, and DS3) and CLLI code.

| <b>Circuit Type</b> | <b>CLLI Code</b> | <b>Local Loop MRC</b> |
|---------------------|------------------|-----------------------|
| DS-3                | PLANTXXA         | \$1725.00             |
|                     |                  |                       |

3. **Terms and Conditions.** Customer commits to pay the applicable circuit MRC for any Network Services Local Access Service circuit of DS3 or larger for a minimum of 12 months (except if a longer commitment applies), which Customer must pay even if the circuit is terminated sooner (unless terminated by Customer for Cause).

## General Installation Waiver Promotion -

Subject to the Conditions below, Verizon will waive the standard non-recurring installation charges for eligible services in the table below (or in the case of Local Service-CLEC, the nonrecurring charges of the types listed in the table below) and for the related local loop access service (if any) provided under the Agreement by MCI Communications Services, Inc. d/b/a Verizon Business Services; MCImetro Access Transmission Services, LLC d/b/a Verizon Access Transmission Services; MCImetro Access Transmission Services of Virginia, Inc. d/b/a Verizon Access Transmission Services of Virginia; or MCImetro Access Transmission Services of Massachusetts, Inc. d/b/a Verizon Access Transmission Services of Massachusetts, as applicable.

| Eligible Services  | Exclusions To Eligible Services<br>(without limitation)   |
|--|---|
| Network Services Local Access Services - DS0, DS1 and DS3 only   | <ul style="list-style-type: none"> <li>• OCn and Higher</li> <li>• International Network Access Local Access</li> <li>• Cross Border Leased Line Service</li> <li>• Converged Ethernet Access</li> <li>• NRCs for special construction and network diversity</li> </ul>   |
| Ethernet Access – Types 1, 2 & 3   | <ul style="list-style-type: none"> <li>• Ethernet Access Type 4</li> </ul>  |
| Enterprise Mobility Dial Access  | <ul style="list-style-type: none"> <li>• Remote Access Support Solutions</li> <li>• Destination Management/Named Filters</li> </ul>   |
| Ethernet Private Line -- National only   | <ul style="list-style-type: none"> <li>• Ethernet Private Line (Metro and International)</li> <li>• Ethernet Private Line (Access)</li> </ul>   |
| Ethernet Virtual Private Line (EVPL) – CPA-based – National and Metro only   | <ul style="list-style-type: none"> <li>• Ethernet Virtual Private Line (International)</li> </ul>   |
| Global Data Link   |   |
| Internet Dedicated - T1, NxT1 and T3 only  | <ul style="list-style-type: none"> <li>• Internet Dedicated OC3 and Higher</li> <li>• Internet Dedicated Ethernet</li> <li>• Internet Dedicated Fast Ethernet</li> <li>• Internet Dedicated GigE</li> </ul>   |
| Long Distance (Domestic and International) – Inbound and Outbound Access   | <ul style="list-style-type: none"> <li>• Features(Packages and Ala Carte)</li> <li>• TF/DA Listing</li> <li>• ITFS Service Fees</li> <li>• UIFN Registration</li> </ul>   |
| Local Service-CLEC (Facilities-based and UNE-P)<br><br>Includes: <ul style="list-style-type: none"> <li>• Account Setup</li> <li>• Account Charges (including moves, changes, additions and billing record changes)</li> <li>• Line Connection Charges (Local Line, Local Trunk-Basic, Local Trunk DID, Local Trunk 2 way Direct)</li> <li>• Direct Inward Dialing (DID)/2 way Direct Installation for blocks of DID/2 way direct numbers</li> </ul> | <ul style="list-style-type: none"> <li>• Disaster Recovery</li> <li>• Expedite fees</li> <li>• Non-Listing/Non- Published Service</li> <li>• Telecommunications Service Priority</li> <li>• Usage charges</li> <li>• Monthly Recurring Charges</li> <li>• Surcharges</li> <li>• Charges imposed by third parties               <ul style="list-style-type: none"> <li>• Includes access, egress, jack, or wiring charges</li> </ul> </li> <li>• All Governmental Charges</li> </ul> |

|  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Non-recurring charges for Local ISDN-PRI T1 installation and optional features</li> <li>• Selective Call Screening non-recurring charge</li> <li>• Non-recurring charges for Optional Features</li> <li>• Additional Telephone Number Listing (set up charge)</li> <li>• Alternative Call Listing (set up charge)</li> <li>• Restoral charges (customer and company charges on the rate calculator)</li> <li>• Toll Restrictions (set up charge)</li> <li>• Call Assistance Install (set up charge)</li> <li>• Voicemail - NUMS (National Unified Message Service)</li> </ul> |   |
| Private IP (Domestic and International)  | <ul style="list-style-type: none"> <li>• Private IP Satellite Access</li> <li>• Private IP – Dynamic Bandwidth Maintenance feature</li> <li>• Private IP – Geographic Gateway and Router Diversity features)</li> </ul> |
| Private IP Layer 2   |   |
| Secure Gateway – Universal Port only   | <ul style="list-style-type: none"> <li>• Secure Gateway Hardware Client</li> <li>• Secure Gateway Management Only</li> <li>• Secure Gateway Out Of Band Modem</li> <li>• Secure Gateway Firewall (Custom)</li> </ul>    |
| U.S. Private Line  |   |
| Virtual Private LAN Service (VPLS)   |   |

**Conditions:**

1. The promotion must be included in Customer's agreement, signed and submitted by December 31, 2010.
2. Only new circuits (or equivalent service units) are eligible for this promotion.
3. Existing circuits (or equivalent service units) that are upgraded to an eligible port type/speed are eligible for this promotion.
4. Customer commits to paying for the new circuit (or equivalent service unit) of the eligible service to which the benefits of this promotion apply (each a "Promotional Circuit") and the associated local access loop, for a minimum of one year. Customers who terminate any Promotional Circuit or the associated local access loop before one year will be billed and required to pay all charges otherwise waived under this promotion.
5. Orders may be expedited, but applicable expedite fees must be paid.
6. Subject to the restrictions below for Ethernet Access, Customer will receive this promotional waiver benefit on any eligible service provided under this promotion during the Term of the service agreement of which it is a part. For Ethernet Access, Customer will receive this promotional waiver benefit only for Promotional Circuits ordered from January 1, 2010 through December 31, 2010. Other charges, including without limitation usage charges, monthly recurring charges, expedite charges, change charges, surcharges, any charges imposed by third parties (including access, egress, jack, or wiring charges), taxes or tax-like surcharges, or other Governmental Charges will not be waived.