



Legislation Text

File #: 0298-2015, Version: 1

BACKGROUND:

This legislation authorizes the Director of the Department of Technology to enter into a service and contract agreement with 10/20 Digital LLC DBA Connected Nation Exchange (CNX) to market and to develop a rate structure and cost recovery billing model for the city's fiber optic infrastructure and to market the lease of the city's available fiber assets. Currently, the primary function of the Department of Technology's (DoT) fiber infrastructure is to provide data connectivity between various city agencies in support of the city's various business functions. In 2007, however, DoT undertook a comprehensive review, titled the Broadband Connectivity Plan, of this important asset and determined that it had far greater potential. As outlined in this plan, the city's fiber asset could be used to enhance economic development, increase the incidence of digital inclusion, and municipal and public safety service provision.

To help the city get the most from its fiber asset and implement its Broadband Connectivity Plan, in May of 2014, the Department of Technology solicited proposals to market it as well as to develop a rate structure and cost recovery billing model. Two (2) proposals were received in response to said solicitation: one from Connected Nation Exchange (CNX) and a second from ALTA 1. A committee consisting of representatives of the Technology, Finance and Management and Development Departments reviewed and evaluated the proposals, with CNX being selected as the best overall offeror.

This ordinance authorizes entering into a service and revenue contract with 10/20 Digital LLC DBA Connected Nation Exchange (CNX) to provide the services spelled out in the request for proposal. This contract allows CNX to develop a rate structure and cost recovery billing model and to market the lease of available city fiber assets on behalf of the city. A negotiated percentage of revenues generated by CNX's marketing and sales efforts will be retained by CNX with the balance being received by the city.

The initial term of the contract will be two years, with three annual renewal options for a total contract term of up to five years.

Finally, the Director of the Department of Technology is authorized to enter into agreements with third parties to manage any or all of the city's fiber assets.

FISCAL IMPACT:

The revenues will be used for the extension of the fiber network and economic development activities, enhance public safety, improve our mobile work force and address digital inclusion.

EMERGENCY:

Emergency legislation is being requested so that 10/20 Digital LLC DBA Connected Nation Exchange (CNX) can begin marketing the city's fiber assets and in turn begin generating revenues on behalf of the city.

CONTRACT COMPLIANCE:

Vendor: 10/20 Digital LLC DBA Connected Nation Exchange (CNX) C.C.#/F.I.D#: 45-3957006 Expiration Date: 02/05/2017

To authorize the Director of the Department of Technology to enter into a service and contract agreement with 10/20 Digital LLC DBA Connected Nation Exchange (CNX) to market and to develop a rate structure and cost recovery billing model for the city's fiber optic infrastructure and to market the lease of the city's available fiber assets; to authorize entering into a revenue contract with CNX whereby CNX retains a negotiated percentage of revenues generated as part of

their aforementioned provision of services, the balance of which will be received by the city; and to declare an emergency. (\$0.00)

WHEREAS, the city has a desire to support fiber optic broadband services to businesses and educational and governmental agencies; and

WHEREAS, in May of 2014, the Department of Technology solicited proposals to market and develop a rate structure and cost recovery billing model for the city's fiber optic infrastructure and provide other services in pursuit of the above-described goal; and

WHEREAS, two (2) proposals were submitted in response to the noted solicitation; and

WHEREAS, 10/20 Digital LLC DBA Connected Nation Exchange (CNX) was selected as the best overall offeror to provide said services; and

WHEREAS, after the city desires to enter into a service and revenue contract with 10/20 Digital LLC DBA Connected Nation Exchange (CNX) to develop a rate structure and cost recovery billing model and to market the lease of available city fiber assets on behalf of the city; and

WHEREAS, the Director of the Department of Technology is authorized to enter into agreements with third parties to manage any or all of the city's fiber assets; and

WHEREAS, the structure of the agreement with CNX allows CNX to retain a negotiated percentage of the revenues that are generated by their marketing and sales efforts of the available fiber assets, with the balance of percent being received by the city; and

WHEREAS, these revenues will be used for the extension of the fiber network, economic development activities, enhancement of public safety, improvement of our mobile work force and to address digital inclusion; and

WHEREAS, a special revenue subfund has been created, into which the above stated revenues will be deposited, to provide for the above stated purposes; and

WHEREAS, an emergency exists in the usual and daily operation of the Department of Technology in that it is immediate necessary to authorize the Director of Technology to enter into a service and revenue contract with 10/20 Digital LLC DBA Connected Nation Exchange (CNX) to market and develop a rate structure and cost recovery billing model for the City's fiber optic infrastructure, thereby preserving the public health, peace, property, safety, and welfare; now, therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of the Department of Technology is hereby authorized to enter into a service and revenue contract with 10/20 Digital LLC DBA Connected Nation Exchange (CNX) to market and develop a rate structure and cost recovery billing model for the City's fiber optic infrastructure, and that the revenues will be used for the extension of the fiber network, economic development activities, enhancement of public safety, improvement of our mobile work force and to address digital inclusion.

SECTION 2. That this revenue generating contract has no financial obligation for the City of Columbus and that CNX is authorized to retain a negotiated percentage of revenues generated through the marketing and lease of available city fiber assets, with the City of Columbus receiving the balance.

SECTION 3. That the Director of the Department of Technology is authorized to enter into agreements with third parties to manage any or all of the city's fiber assets.

SECTION 4. That the Director of the Department of Technology is authorized to enter into agreements with public and private entities for utilization of the city's fiber optic infrastructure.

SECTION 5. That the subfund number 001 is hereby created for the purpose of receiving a negotiated portion of revenues generated by CNX's marketing and sales efforts of the available fiber assets on behalf of the Department of Technology for the purpose of the extension of the fiber network, economic development activities, enhancement of public safety, improvement of our mobile work force and to address digital inclusion.

SECTION 6. That an amount up to, but not to exceed, the cash in the fund not encumbered for any other purpose is hereby appropriated within the Special Purpose Fund, Fund 280, Subfund 001.

SECTION 7. That funds received and limited for this purpose be deemed authorized to be expended for the City events, activities, and initiatives set forth in Section 1 above, but in no circumstance shall an expenditure exceed twenty thousand dollars (\$20,000.00).

SECTION 8. That expenditures exceeding \$20,000.00 shall require council authorization via ordinance.

SECTION 9. That the aforementioned revenues be received by the City of Columbus and deposited to the fund as follows:

Dept./Div.: 47-02|**Fund Name: Special Purpose:** Fiber Optics|**Fund:** 280|**SubFund:** 001|**OCA Code:** 280001|

SECTION 10. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 11. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance

SECTION 12. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the mayor, or ten days after passage if the mayor neither approves nor vetoes the same.