



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
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Text File

File Number: 18-1175

Agenda # CA-13

Introduced: 8/9/2018

Version: 1

Current Status: Passed

Matter Type: Resolution

Resolution to Approve a Fiber and Conduit Use Agreement with Merit Network, Inc.

The City's fiber network (A2 I-NET) was constructed with additional capacity to allow third party entities to utilize excess fiber strands. Merit Network, Inc., requested to use one pair of fiber strands on the A2 I-NET. This resolution seeks approval of a Fiber and Conduit Use Agreement for this non-governmental entity which is similar to the governmental Fiber and Conduit Use Agreements previously approved for the DDA, AAATA, and the AADL.

The fiber strands will be physically separate from all other fiber strands on the City's fiber network. Merit Network, Inc., intends to construct and own laterals with their fiber segments and the City will be responsible for splicing those fiber segments into the Merit strands on A2 I-NET.

The agreement includes general terms and conditions that govern the relationship between the City and Merit Network, Inc., and is set up such as the number and locations of fiber strands used and to allow Merit Network, Inc. to expand its usage. The agreement defines how compensation is calculated and payment to the City for Merit Network Inc. use of, and for maintenance of, the Merit Network Inc. share of the fiber optic network. The term of the agreement is through June 30, 2027.

Merit will compensate the City a One-Time fee of \$105,000.00 and an Annual Usage Fee of \$10,500.00, which the City may adjust annually based on the Consumer Price Index.

Staff recommends that Council approve the attached agreement for Merit Network, Inc.

Staff requests that City Council authorize the City Administrator to approve additional fiber strands and locations to this agreement, including applicable fee adjustments, to streamline the approval process.

Staff also recommends that City Council authorize the City Administrator to approve and enter into fiber and conduit use agreements with other third parties with the same or similar terms and conditions as this agreement without needing to return to City Council for approval in order to streamline the approval process.

..Staff

Reviewed by: Tom Shewchuk, IT Director

Reviewed by: Tom Crawford, Financial Services Area Administrator and CFO

Approved by: Howard S. Lazarus, City Administrator

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Resolution to Approve a Fiber and Conduit Use Agreement with Merit Network, Inc.

Whereas, Strands are available in the new City Fiber Optic Network (FON) that may be used by third-parties;

Whereas, Merit Networks, Inc., requested to use a pair of fiber strands on the A2 I-NET;

Whereas, Merit Networks, Inc. intends to construct and own laterals with their fiber segments and the City will connect those segments to the Merit fiber strands on the A2 I-NET;

Whereas, The proposed Fiber and Conduit Agreement establishes the terms and conditions, including compensation for Merit Network, Inc. to use the fiber strands in the A2 I-NET through June 30, 2027;

Whereas, The proposed Fiber and Conduit Use Agreement with Merit Network, Inc. provides for Merit Network, Inc. to pay the City a One-Time Fee of \$105,000.00 and an Annual Usage Fee of \$10,500.00, which the City may escalate annually based on the Consumer Price Index;

Whereas, The Agreement allows for the addition of fiber strands and locations, and authorization to the City Administrator to approve additional fiber strands and locations for this Agreement, including adjustments of applicable fees, will streamline the approval process; and

Whereas, Staff recommends that the City Administrator be granted authority to approve and enter into fiber and conduit use agreements with other third parties with the same or similar terms and conditions as this Agreement without needing to return to City Council for approval in order to streamline the approval process.

RESOLVED, That City Council approve the Fiber and Conduit Use Agreement with Merit Network, Inc.;

RESOLVED, That the Mayor and City Clerk be authorized and are directed to execute said Agreement after approval as to form by the City Attorney and approval as to substance by the City Administrator;

RESOLVED, That all proceeds from the Agreement be recorded where the A2 I-NET's operations are recorded in the Information Technology Fund;

RESOLVED, That the City Administrator be authorized to approve additional fiber strands and locations for this Agreement, including adjustments of applicable fees;

RESOLVED, That the City Administrator be authorized to approve and enter into fiber and conduit use agreements with other third parties with the same or similar terms and conditions as this Agreement without additional approval by City Council; and

RESOLVED, That the City Administrator be authorized to take the necessary actions to implement this Resolution.