
**CITY OF OCALA
CITY COUNCIL REPORT**

Council Meeting Date: 07/10/18

Subject: Level 3 Dark Fiber Services Renewal #3

Submitted By: Mel Poole

Department: Ocala Fiber Network

STAFF RECOMMENDATION (Motion Ready): Approve Agenda Item (ID # 12262) 5-year renewal to Level 3 Communications, LLC for leasing dark fiber optic facilities in the amount of \$128,250

OCALA'S RELEVANT STRATEGIC GOALS: Economic Hub

PROOF OF PUBLICATION: N/A

BACKGROUND:

In 1998, the City entered into a contract with Level 3 Communications, LLC to lease four dark fibers for resale purposes. The agreement included a total of four, 5-year renewal option periods. This fiber lease will support our guaranteed resale contracts with a total value of \$150,000 in revenue over the 60 month period. Additionally, these lines support another month-to-month re-sale contract that provides revenue of \$8,700 per month.

FINDINGS AND CONCLUSIONS:

The continued lease of these dark fibers will produce revenues for Ocala Fiber Network through the resale of services utilized with these fibers. The third renewal has a provision to reduce the fees by \$6,750 from the previous period during this renewal term thereby reducing costs further for this dark fiber.

FISCAL IMPACT:

The \$128,250 expenditure associated with Level 3 Communications, LLC is included in the FY18 budget in account # 490-31-290-539-34050 Telecom for Resale account.

PROCUREMENT REVIEW:

This renewal has been reviewed and approved in compliance with the City's procurement policies.

LEGAL REVIEW:

The amendment has been reviewed and approved for form and legality by the Assistant City Attorney, Robert W. Batsel, Jr.

ALTERNATIVE:

Approve, Table or Deny

SUPPORT MATERIALS:

Amendment #3 - Level 3 Dark Fiber Renewal (PDF)