



Legislation Text

File #: 19-603, **Version:** 2

Report Prepared by: Jeff Bennyhoff, Director of Information Technology

SUBJECT: Acceptance of a One-Time Payment of \$2,250 for the Initial Fifteen (15) Year Conduit Lease of 50 Linear Feet on Canal Street from CVIN, LLC dba VAST NETWORKS, a Competitive Local Exchange Carrier with the Option to Renew the Contract in 5 Year Increments

REPORT IN BRIEF

Considers entering into a fifteen (15) year conduit lease agreement to CVIN, LLC dba VAST NETWORKS, a Competitive Local Exchange Carrier with the option to renew the contract in 5-year increments and the acceptance of a one-time payment in the amount of \$2,250.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving the lease agreement with CVIN, LLC dba VAST NETWORKS; and,
- B. Increasing the revenue budget in account 672-0403-360-01-01 by \$2,250 and appropriating the same to account 672-0403-512-29-00; and,
- C. Authorizing the City Manager or the Assistant City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve, as recommended by staff or;
- 2. Deny or;
- 3. Refer to staff for reconsideration of specific items or;

AUTHORITY

Merced City Charter, Section 200

CITY COUNCIL PRIORITIES

As Provided for in the 2019-20 Adopted Budget

DISCUSSION

The Merced County Office of Education purchased the Mondo building, 1715 Canal Street, in May 2019. MCOE engaged CVIN to install and construct conduit and fiber optic infrastructure to their newly acquired building.

This lease will allow CVIN access rights to put their fiber optic infrastructure inside the City's underutilized 50ft conduit that crosses Canal Street near Bob Hart Square. The City will receive

\$2,250 for the initial term of the lease of the conduit to CVIN.

This lease agreement will provide revenue to the City, reduce the construction cost to MCOE for advanced telecommuting services, and save Canal street from having multiple potholes put into the road to construct an independent conduit.

CVIN is a Competitive Local Exchange Carrier that sells internet and telecommunication services and has their own private conduit and fiber optic network between Bakersfield and Stockton. Their fiber optics network provides telecommunication services to businesses within the Merced region.

This agreement will not prevent the City from utilizing the City conduit that CVIN wishes to enter. There is enough conduit space to safely operate both telecommunication infrastructures within the conduit.

At the termination of agreement CVIN would be required to remove their fiber optics cabling from the City conduit at their cost, or via mutual agreement the City can acquire and obtain ownership of the fiber optic infrastructure at no cost.

ATTACHMENTS

1. Conduit Lease Agreement