



Meeting Date: 3 / 27 / 07

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Gayle Elkins *[Signature]* Agenda Item No. I-1
 Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other (Specify) _____

DATE: March 19, 2007
TO: City Council
FROM: Gayle Elkins, Telecommunications Manager *[Signature]*
SUBJECT: Switched Ethernet Service (SES)

RECOMMENDATION

That City Council approve and authorize the Mayor to execute Contract No. 4062-07 CM, the Service Agreement with Verizon Business Network Services, Inc. (Verizon) in the amount of \$260,937, for Verizon's Switched Ethernet Service (SES), aka Transparent LAN Service. This contract covers 60 consecutive months (five years) beginning the day the service is activated.

DISCUSSION

Verizon is currently providing 'frame relay' and 'leased-line' telecommunications circuits to the City. These circuits are used to connect our various remote locations to our citywide data network and Voice over Internet Protocol (VoIP) network in Information Systems. These circuits currently transport information at 1.5 megabits per second (Mbps) over a legacy copper infrastructure. The proposed SES will replace these telecommunications circuits with one fiber optic connection at each of four sites: Environmental Resources, Corporate Yard, Water Department, and Information Systems. The transport speed in Information Systems will be 100 Mbps, which will provide 10 Mbps transport speed to each of the remote locations. These new fiber connections will allow outlying areas to finally realize the benefits of many applications, such as access to large GIS map files and Navaline, an enhanced version of our HTE financial software, which, at this time, users are not taking advantage of due to the very slow transfer speeds. In essence, these new fiber connections will be providing the City a ten-lane superhighway to transport information, rather than a two-lane road.

Additionally, our VoIP phone system, with call center capabilities, was installed with the goal of placing our campus and major outlying areas on the same system. This new fiber connectivity will allow us to not only run our VoIP system, but is also so robust as to allow us to run our entire City network over one fiber connection.

It is important to note that Verizon is absorbing all the construction costs (approximately \$86,000.) if

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the City commits to a five-year contract. We are being offered this service and the waiver of construction costs due to other public entities, such as the school district, also participating.

Another benefit of this technology will be Information Systems' ability to administer data services directly from our location, and not be dependent on servers at the remote sites. This type of administration of our network will result in lower costs, i.e., cost of servers, switches, and licenses.

FINANCIAL IMPACT

The cost of the current telecommunication services provided to these three sites totals approximately \$78,600 annually in the Telecommunication Account #731-7306. The cost of the new SES service will be approximately \$52,000, which represents an annual savings of \$26,600. Much of these savings will be derived from converting the telephone system at the Corporate Yard to the City's VoIP telephone network (Environmental Resources and Water Department are currently on this system). The one-time capital cost to provide the VoIP system to the Corporate Yard is approximately \$125,000. There are sufficient funds in the Wireless Upgrade project, Account # 731-7364 (057301) to pay for this project. The result is a net savings of approximately \$5,000 over a five-year period. The return on investment for this technology will be realized after the fifth year.

Attachment #1 - Service Agreement

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SERVICE AGREEMENT
(Intrastate ICB)

Customer Name	City of Oxnard ("Customer")	Main Billing Tel. No:	805-375-7500
and address:	300 W. 3rd Street, Oxnard, CA 93030	ICB Case No.	2007-397774

Services. Customer hereby requests and agrees to purchase from the undersigned Verizon company ("Verizon") the services identified in Exhibit A attached to this Agreement, and in any Addendum expressly made a part hereof, and as further described in Verizon's applicable tariffs (the "Services"), for the service period stated in the Exhibit or Addendum applicable to such Service (the "Service Period"), subject to Verizon's receipt of any necessary regulatory and other governmental approvals required to provide the Services under the terms hereof. The Services will be provided under the terms of this Agreement to the Customer locations specified in the Exhibit(s) and Addenda attached to or made a part hereof.

Charges. Customer will pay the rates and charges set forth in the attached Exhibit(s) and in any Addendum made a part hereof, and shall also pay all applicable taxes, fees, and charges, including Federal End User Common Line Charges, charged pursuant to applicable law, regulations, or tariffs in connection with the Services. If Customer cancels or terminates this Agreement or any Services prior to expiration of the Service Period, Customer will promptly pay to Verizon termination charges as set forth in the applicable Exhibit(s) and Addendum(a). Any tariffed back billing limitations otherwise applicable to the Services shall not apply under this Agreement.

Notices. Notices under this Agreement shall be sent by first-class U.S. mail, postage prepaid, to Customer at the address specified above, and to Verizon at Verizon National Contracts Repository, MC:HQW02L25, 700 Hidden Ridge, Irving, TX, 75038. Notices shall be deemed effective five business days after such mailing.

Miscellaneous. (a) Neither party will disclose the terms of this Agreement to any other person without the prior written consent of the other party, except as may be necessary to comply with applicable law, regulation, or filing requirements. Either party may issue or permit issuance of a press release or other public statement concerning this Agreement provided its contents have been reviewed and agreed upon by the parties.

(b) In the event of a claim or dispute, the law and regulations of the jurisdiction in which Verizon provides to Customer the particular Service that is the subject of such claim or dispute shall apply. This Agreement and its provisions shall not be construed or interpreted for or against any party hereto because that party drafted or caused that party's legal representative to draft any of its provisions.

(c) No liability shall result from Service failures caused by fires, floods, severe weather, acts of government or third parties, strikes, labor disputes, inability to obtain necessary equipment or services, or other causes beyond such party's reasonable control.

(d) If any provision of this Agreement or the provision of any Service under the terms hereof is illegal, invalid, or otherwise prohibited under applicable law or regulation in any State or jurisdiction, or does not receive any governmental or regulatory approval required by law in any State or jurisdiction, then this Agreement shall be construed as if not containing such provision or requiring the provision of such invalid, illegal, prohibited, or unapproved Service in such State or jurisdiction.

(e) Verizon may assign or transfer part or all of this Agreement to any affiliate or successor to substantially all of its assets in the locations where Service is provided hereunder. Upon reasonable prior written notice to Verizon, Customer may assign or transfer this Agreement to any company that is the successor to substantially all of its assets, provided all charges for Services provided prior to such transfer or assignment are paid in full when due. Except as otherwise required by applicable law or regulation, all other attempted assignments shall be void without the prior written consent of the other party.

(f) Except as otherwise required by applicable law or regulation, the Services provided hereunder may not be resold by Customer.

Tariffs and Limitation of Liability. The terms and conditions that shall apply in connection with these Services, and the rights and liabilities of the parties, shall be as set forth herein and in all applicable tariffs now or hereafter filed with the applicable state regulatory commission and/or the Federal Communications Commission. In no event shall Verizon be liable for any special, indirect, incidental, or consequential damages arising in connection with this Agreement or the provision of any Services, whether claim is sought in contract, tort (including negligence), strict liability or otherwise. This Agreement (including the Exhibits attached hereto and any Addenda made a part hereof) and all applicable tariffs constitute the entire agreement between the parties and shall supersede all prior oral or written quotations, communications, negotiations, representations, understandings or agreements made by or to any employee, officer, or agent of any party on the subject matter hereof. This Agreement may not be modified or rescinded except by a writing signed by authorized representatives of each party.

AGREED AND ACCEPTED:
CITY OF OXNARD

VERIZON BUSINESS NETWORK SERVICES INC.
on behalf of VERIZON CALIFORNIA INC.

By SEE SIGNATURE PAGE

By _____

Name/title _____

Name/title _____

Date _____

Date _____



Verizon company name: Verizon California Inc. (referred to in this Exhibit as "Verizon")
 In its capacity as an Incumbent Local Exchange Carrier
State: California (Government)
Customer name: City of Oxnard
ICB Case No.: 2007-397774

Customer must sign and date this Agreement on or before April 15, 2007, or the proposed Service arrangement and pricing will no longer be available. This Agreement shall not be considered fully executed until signed by both parties.

1. Services and Quantity Commitments. Customer agrees to purchase the following Services from Verizon at the rates set forth below and in quantities set forth below for the Service Period identified below. Any other work, services or facilities required will be provided subject to prevailing tariff rates and charges, or if no tariff is applicable, under separate individual case basis agreement or formal amendment to this Agreement. Customer shall provide to Verizon at each Customer location suitable and secure space, with suitable environmental conditions and uninterruptible power supply, building entrance facilities and conduit, for placement of the facilities and equipment to be used by Verizon to provide such Service.

<u>Quantity</u>	<u>Service Item</u>	<u>Monthly Unit Rate (each)</u>	<u>Non-recurring Charge / Unit</u>
3	Transparent LAN Service (TLS) 10 MB Basic Access Line with Specially Constructed Facilities	\$869.79	N/A
1	TLS 100 MB Basic Access Line with Specially Constructed Facilities	\$1,739.58	N/A

Notes:

- (i) Service is intraLATA, intrastate.
- (ii) Non-recurring charges do not apply to the initial Service Quantities above. Additional quantities of the Service, additional locations and/or changes in the Service at respective locations may be made through the first twenty-four (24) months of the Service Period. After the first twenty-four (24) months of the Service Period, such changes will be addressed via formal amendment to this Agreement; such amendment will address various service-related points including but not limited to rates, availability of adequate facilities, any applicable early termination charges and other necessary provisions.
- (iii) Service is provided consistent with this Agreement and Verizon's applicable tariffs; Customer may purchase other TLS service features outside this Agreement and pursuant to applicable tariff rates, terms & conditions.
- (iv) The above charges do not include Federally mandated end user common line charges, any applicable local, state, or federal fees, taxes, surcharges, or other applicable tariffed charges.
- (v) Minimum Service Commitment and Quantity is as set out above - 4 locations (listed in section 7) with the TLS Service type shown above. Failure to maintain the Minimum Service Commitment and Quantity will result in the termination of this Agreement, in which case the Service will be provided solely pursuant to applicable tariff rates, terms and conditions.

2. Effective Date/Regulatory Filing and Review. This Agreement, and any subsequent amendment(s), shall be effective when executed. This Agreement and any subsequent amendments shall be filed with the California Public Utilities Commission ("Commission"). This Agreement shall at all times be subject to such changes or modifications by the Commission as the Commission may, from time to time, direct in the exercise of its lawful jurisdiction.

3. Service or Term Period. Customer shall purchase such Services for a period of sixty (60) consecutive months from the in-service date ("Service Period"). The in-service date shall be the date, after the effective date defined above, on which Verizon's provisioning has been completed and the Service is available for Customer's use. The Service Period for each TLS line shall become effective and conclude according to its own term and this Agreement shall remain in effect for as long as there are any Services being provided hereunder.

4. Ramp Up Period. The rates herein are contingent upon Customer purchasing at least the quantity of Service set forth above (the "Minimum Quantity"). Customer may not request a delay in Verizon's installation of the total quantity of Service ordered that would not be consistent with the following: at least 25% of the total quantity of Service ordered hereunder shall be scheduled to be installed upon the commencement of the Service Period; and at least 50% of the total quantity of Service ordered hereunder shall be scheduled to be installed before the end of the first year of the Service Period; and all of the remaining quantity of Service ordered hereunder shall be scheduled to be installed before the end of the second year of the Service Period. Verizon shall review Customer's account on each annual anniversary of the commencement of the Service Period and if the quantity of Service installed is less than the Minimum



Quantity required under the preceding sentence then Verizon shall have the right prospectively to make adjustments to the rates provided under this Agreement consistent with then-applicable Verizon competitive pricing and practices.

5. Termination Charges.

- a. If Customer cancels this Agreement in whole or in part or fails to maintain the minimum quantity or terminates any Service prior to the expiration of the Service Period, Customer shall pay to Verizon: (a) a termination charge equal to twenty-five percent (25%) of the applicable monthly rate for the terminated Service multiplied by the number of months remaining in the unexpired portion of the Service Period, and (b) a Special Construction termination charge of eighty-two thousand three hundred eighty-eight and 20/100 dollars (\$82,388.20). If Customer terminates this Agreement subsequent to the execution of this Agreement by the Parties but prior to the in-service date, Customer shall pay to Verizon all costs incurred by Verizon for contract and service preparation. Any termination liability charge applied shall be due and payable in one lump sum within 30 days of billing. Termination charges will not apply if an exception contained in Verizon's applicable tariff applies.
- b. Customer may terminate the Agreement and enter into a new agreement or tariff term commitment for service from Verizon California Inc. without paying Termination Liability provided that: (a) the change occurs no earlier than twelve (12) months before the expiration date of the Service Period for this Agreement, and (b) the value of the new agreement or tariff term commitment is at least equal to the total value of this Agreement. The new agreement or tariff term commitment shall be subject to applicable regulatory requirements.

6. Additional Provisions.

- a. Conditions. The parties acknowledge that the rates and other terms of this Agreement are premised on Customer's commitments, unique network design requirements, and Customer's service mix, usage patterns and concentration, and other characteristics.
- b. Service Continuation. (i) If, at the time of expiration of the Service Period, a new agreement with Verizon for the Services is not effective as defined above and Customer has not requested, in writing, discontinuance of the Services, then the Services will be reverted to applicable tariff or other Commission-authorized rate(s) for the minimum service commitment period available. The applicable tariff or other Commission-authorized arrangement will govern the service arrangement prospectively, including rates, terms and conditions, which may include charges for termination prior to the end of the minimum tariff service commitment period. If there is no applicable tariff or other Commission-authorized service arrangement, then the Service will be disconnected upon the expiration of the Service period for this Agreement if a new agreement is not effective as defined above. (ii) If Customer indicates to Verizon in writing that it desires to negotiate a new contract to continue the Services provided for herein, this Agreement shall automatically be extended for a period not to exceed 60 days from the end of the initial term to allow the parties to finalize a new agreement. Written notice must be provided by Customer at least 30 days prior to the end of the original termination date. For purposes of this paragraph only, written notice may be by facsimile.
- c. Detariffing. In the event any of the Services are hereafter detariffed, then the terms of the tariffs in effect immediately prior to such detariffing shall be deemed to be incorporated by reference and shall continue to apply to the provision of the Service to the same extent as such tariffs applied hereunder prior to such detariffing.
- d. Facilities. Additional charges may be required if suitable facilities are not available to provide Services at any locations, or if any additional work, services, or quantities of Services are provided. In the event installation of additional network facilities is required to provide Services, Verizon will inform Customer of such applicable charges, and Verizon will install such facilities only upon mutual written agreement of the parties to such additional charges. If Customer does not agree to pay such additional charges, then this Agreement will be subject to termination by Verizon without application of the termination charges described above.
- e. Customer Purchase Orders. The terms and conditions contained on a Customer purchase order document (whether signed by one or both parties) shall not serve to modify the terms and conditions of this Agreement.

7. Locations. The Services shall be provided to Customer under the terms hereof at the following locations.

Quantity	Service Item	Service Address	City	State	Zip Code
1	100 MB Basic Access Line	300 W. 3rd. St.	Oxnard	CA	93030
1	10 MB Basic Access Line	251 S. Hayes	Oxnard	CA	93030
1	10 MB Basic Access Line	111 N. Del Norte	Oxnard	CA	93030
1	10 MB Basic Access Line	1060 Pacific	Oxnard	CA	93030

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CITY OF OXNARD

VERIZON

Dr. Thomas E. Holden, Mayor

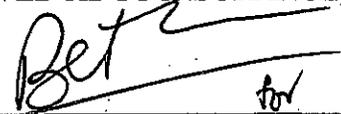
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Management

APPROVED AS TO FORM:

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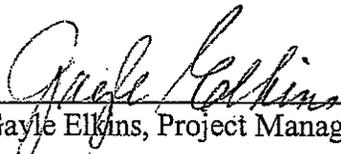
Gary L. Gillig, City Attorney

APPROVED AS TO INSURANCE:

 for

Susan Winder, Interim Risk Manager

APPROVED AS TO CONTENT:



Gayle Elkins, Project Manager
Information Systems

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