



# CITY OF FERNLEY

## CITY COUNCIL AGENDA REPORT

Meeting Date: February 17, 2021

|                     |                              |
|---------------------|------------------------------|
| <b>REPORT TO:</b>   | Mayor and City Council       |
| <b>REPORT FROM:</b> | Daphne Hooper, City Manager  |
| <b>REVIEWED BY:</b> | Brandi Jensen, City Attorney |
| <b>REVIEWED BY:</b> | Denise Lewis, City Treasurer |

|   |   |                                     |
|---|---|-------------------------------------|
| <b>FINANCIAL IMPACT:</b><br>Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/> | <b>CURRENTLY BUDGETED:</b><br>Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/> | <b>FUND/ACCOUNT:</b><br>100-417-530 |
|---|---|-------------------------------------|

**ACTION REQUESTED:**  Consent  Ordinance  Resolution  Motion  Receive/File

**AGENDA ITEM: Staff Report (For Possible Action): Possible Action to award a contract to Granite Government Solutions to consolidate the AT&T broadband communications accounts under Granite at an estimated annual rate of \$14,064.**

**Agenda Item Brief: The City has several broadband accounts with AT&T which provide high-speed internet access to several City facilities throughout Fernley. Staff is always looking for ways to save on operation costs and reached out to Granite Government Solutions to help simplify and manage the local and long-distance phone services and broadband services. Consolidating the broadband services with Granite will save the City an estimated 40% annual for broadband services.**

**Recommended Motion:**  
"I move to approve the contract to Granite Government Solutions to consolidate the AT&T broadband communications accounts under Granite at an estimated annual rate of \$14,064."

**Business Impact (per NRS Chapter 237):**

A Business Impact Statement is Attached.

A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

See attached report for background, analysis, alternatives.

**ALTERNATIVES:**

The Council can may:

- Not approve the contract and direct staff to look for other possible companies for communication consolidation services.
- Request additional information

**BACKGROUND:**

The City has several broadband accounts and over 20 analog lines with AT&T which provide local and long-distance phone services and high-speed internet access to several City facilities throughout Fernley (City Hall, Cottonwood shop, Water Treatment Plant). Staff is always looking for ways to save on operation costs and reached out to Granite Government Solutions to help simplify and manage the local and long-distance phone services and broadband services.

Granite provides voice, data and other products and services to multi-site businesses and governmental agencies. Granite is a wholesaler of various carriers, including AT&T, that have pre-set agreements with them. If approved, Granite will be the city’s billing entity and support contact for all broadband circuits and local/long distance phone providing one invoice and a single point of contact. The Estimated Cost Savings to Consolidate Services and the Estimated Cost of Services is below. The Estimated Cost of Services does not include usage, regulatory fees, taxes and potential overages.

Please note, the City’s ADS account is in an agreement with Spectrum and cannot be consolidated with Granite at this time. Staff will revisit the Spectrum contract when it expires.

**Services Consolidated:**

| Services     | Consolidated Units |             | Current Monthly Cost | Granite Monthly Total | Monthly Savings | Annual Savings  | Savings %  |
|--------------|--------------------|-------------|----------------------|-----------------------|-----------------|-----------------|------------|
|              | #                  | %           |                      |                       |                 |                 |            |
| Analog       | 24                 | 100%        | \$2,285              | \$1,221               | \$1,063         | \$12,759        | 47%        |
| Broadband    | 4                  | 100%        | \$495                | \$296                 | \$198           | \$2,381         | 40%        |
| ADS          | 1                  | 100%        | \$950                | \$876                 | \$74            | \$890           | 8%         |
| <b>Total</b> | <b>29</b>          | <b>100%</b> | <b>\$3,730</b>       | <b>\$2,394</b>        | <b>\$1,336</b>  | <b>\$16,030</b> | <b>36%</b> |

**Estimated Cost of Services**

| Phase 1                |              | Phase 2                |              |
|------------------------|--------------|------------------------|--------------|
| Service                | Monthly Cost | Service                | Monthly Cost |
| POTS/LD                | \$1,221      | Broadband              | \$296        |
| Annual Total: \$14,652 |              | Annual Total: \$14,064 |              |

**LEGAL IMPLICATIONS:**

The contract defines termination, liability, and legal requirements.

**FINANCIAL IMPLICATIONS:**

Communications funds have been budgeted for FY 2020-2021 and will be included in the budget for FY 2021-2022. Staff expects a cost savings in communications upon implementing the Granite services.

**ATTACHMENTS:**

**Granite Quote 23699 – City of Fernley Granite Combined Quote**

**2021 CoF Granite short form contract**

**Granite Updated Terms Granite Gov't LOA – City of Fernley**

**Granite Website Broadband Services Terms of Service**