



Request for City Council Committee Action from the Department of BIS

Date October 6, 2008

To: The Honorable Paul Ostrow, Chair, Ways and Means Committee

Subject: USIW payment schedule

Recommendation Authorize proper city officials to amend the USI Wireless, Inc. (C-23781) contract to provide transparency and clarity surrounding the payment and pricing terms.

Prepared by Robert Arko, Contract Administrator, 673-3984

Submitted by Lynn Willenbring _____, 673-2289
Chief Information Officer

Approved by Steven Bosacker _____
City Coordinator

Presenter in Committee Lynn Willenbring

Policy Review Group Not Applicable

Permanent Review Committee (PRC) Approval – Not Applicable

Prior Related Directives:

September 2, 2006 Council adopted and the Mayor approved the authorization to execute a ten-year contract for broadband wireless services.

January 12, 2007 Council recommended amending the USI Wireless contract to remit Digital Inclusion Funds directly from USI Wireless to a designated fund recipient, as more fully set forth in Petition No. 271730.

Financial Impact: None.

Financial Impact (Check those that apply)

- No financial impact (If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The City of Minneapolis entered into a ten year \$12.5 million broadband services contract with USI Wireless, Inc. on November 2, 2006. On January 12, 2007 an amendment to the USI Wireless contract changed the contract language to remit Digital Inclusion Funds directly from USI Wireless to a designated fund recipient, as more fully set forth in Petition No. 271730.

Through continued discussions with USI Wireless, Inc. it was felt that a revision to Attachment C, Payments/Pricing/Schedule of Fees, of the contract was necessary to provide clarity surrounding the monthly payments to USI Wireless. This revision will also incorporate the previously executed contract amendment and change order to Attachment C.

This revision to the contract will:

- Help provide transparency surrounding the payment terms
- Ensure that both parties have the same understanding surrounding the payment schedule
- Incorporate and consolidate the previously executed contract amendment and change order into one document for ease of use and visibility of changes