



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1415-140

File ID: K-1415-140

Type: Contract

Status: Consent Item

Version: 1

Reference: Item No. 20

In Control: City Council

Department: Legal Department

Cost:

File Created: 06/01/2015

File Name: K-1415-140 Between the City and CTSI for Use of
Fiber Optic Conduit between NRHS Facilities

Final Action:

Title: CONTRACT K-1415-140: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND CHICKASAW TELECOMMUNICATIONS SERVICES, INC., (CTSI) TO PROVIDE FOR PAYMENT OF A THREE PERCENT (3%) FEE IN LIEU OF FRANCHISE FEE FOR ANY REVENUE GENERATED AS A RESULT OF THE USE OF A FIBER OPTIC CONDUIT CONSTRUCTED BETWEEN THE NORMAN REGIONAL HEALTH SYSTEMS (NRHS) FACILITY AT 901 NORTH PORTER AVENUE AND THE NRHS FACILITY AT 3400 WEST TECUMSEH ROAD FOR A PERIOD OF FIVE YEARS.

Notes: ACTION NEEDED: Motion to approve or reject Contract K-1415-140 with CTSI; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 06/23/2015

Agenda Number: 20

Attachments: Text File, K-1415-140

Project Manager: Leah Messner, Assistant City Attorney

Entered by: jayme.rowe@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	06/23/2015					

Text of Legislative File K-1415-140

Body

BACKGROUND: On June 9, 2009, the Public Works Department received an application from Norman Regional Health System (NRHS) for the installation of fiber optics conduit connecting NRHS's Main Campus at Porter Avenue and Robinson Street to the NRHS's West Campus at 36th Avenue NW and Tecumseh Road. Chickasaw Telecommunications Services, Inc. (CTSI) proposed to install the fiber optics conduit on behalf of NRHS. The Application set forth the terms and conditions of the permit and provides the location of the installation.

Simultaneous to CTSI's installation of the fiber serving NRHS, CTSI applied to install conduit for later use. This conduit would be in place if, in the future, additional capacity may be needed or CTSI has a use for the conduit for a commercial purpose.

The Public Works Department and other appropriate departments reviewed and approved the plans when they were submitted in 2009. In addition, the Oklahoma Department of Transportation and the Burlington Northern Santa Fe Railroad approved permits for crossing their rights-of-way.

Normally, the Public Works Department accepts, reviews, and approves these applications. However, due to the magnitude of this project, City Staff asked Council to approve the permits in 2009. On July 14, 2009, City Council approved Contract K-0910-43 between the City of Norman and CTSI for the installation of the conduit for fiber. It provided that if CTSI were to enter the conduit with fiber, or leases, rents or sells the capacity for any revenue generating purpose, CTSI would be assessed a five percent (5%) fee in lieu of a franchise fee. This fee was only applicable if and when CTSI generates revenue with respect to the use of this conduit. The Contract was valid for a five year term and expired on July 15, 2014.

DISCUSSION: CTSI approached the Public Works Department regarding a new contract, Contract K-1415-131, for use of fiber in addition to seeking a permit for installation of new conduit and fiber along John Saxon Boulevard. Council approved Contract K-1415-131 on April 14, 2015. They also approached the Public Works Department regarding renewing the previous agreement for the fiber serving NRHS. Staff has prepared a new contract for that fiber that is identical to Contract K-1415-131 that Council approved in April.

The Contract provides that if CTSI were to enter the conduit with fiber, or leases, rents or sells the capacity for any revenue generating purpose, CTSI would be assessed a three percent (3%) fee in lieu of a franchise fee. This fee is applicable if and when CTSI generates revenue with respect to the use of this conduit. The Contract is valid for a five year term.

CTSI has provided agreements they have entered into with other cities across Oklahoma, including Duncan, Ada, and Durant.

Under the terms of the Contract, CTSI will indemnify the City from any and all damages or claims as a result of the installation or operation of the fiber and conduit. In addition, the Contract can only be assigned upon written consent of the City. The Contract is revocable at any time with thirty days' notice.

RECOMMENDATION: If Council wishes to renew the Contract with CTSI for the fiber serving NRHS, Staff recommends approval of Contract K-1415-140.