



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-0506-151 AMD 1

File ID: K-0506-151 AMD 1	Type: Contract	Status: Agenda Ready
Version: 1	Reference: Item No. 13	In Control: City Council
Department: Utilities Department	Cost:	File Created: 11/25/2014
File Name: Amendment to Contract with New Cingular Wireless PCS		Final Action:

Title: AMENDMENT NO. ONE TO CONTRACT K-0506-151: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND NEW CINGULAR WIRELESS PCS, L.L.C., FORMERLY SOUTHWESTERN BELL WIRELESS, INC., TO INCREASE THE LEASE RATE FROM \$1,266.77 TO \$2,131.16 PER MONTH FOR TELECOMMUNICATIONS EQUIPMENT LOCATED ON THE BROOKHAVEN WATER TOWER LOCATED AT 4151 WEST ROBINSON STREET AND TO MODIFY EXISTING EQUIPMENT.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Amendment No. One to Contract K-0506-151 with New Cingular Wireless, Inc., increasing the lease rate from \$1,266.77 to \$2,131.16 per month; and, if approved, authorize the execution thereof.

ACTION TAKEN: _____

Agenda Date: 12/09/2014

Agenda Number: 13

Attachments: Amendment to K-0506-121.pdf, K-0001-35.pdf,
K-0506-121.pdf

Project Manager: Mark Daniels, Utilities Engineer

Entered by: mark.daniels@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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Text of Legislative File K-0506-151 AMD 1

Body

BACKGROUND: The Norman Utilities Authority (NUA) approved Contract K-0506-151 with New Cingular Wireless PCS, LLC (Cingular) on June 13, 2006 to lease space for telecommunication equipment on the Brookhaven Water Tower located at 4151 West Robinson. The initial term of the contract was five years with the option to renew four additional terms of five years each.

The lease rate was \$1,000 per month with a 3% increase annually on the anniversary date of the contract; the current rate is \$1,266.77. Article I of the contract allows the NUA to terminate the agreement upon one hundred eighty days (180) days' notice prior to the end of the current five-year term. Article VI requires telecommunication equipment to be installed in accordance with the contract and requires approval of the Director of Utilities prior to construction of the improvements.

DISCUSSION: The initial five-year term expired in June 2011 and automatically renewed. Cingular notified staff of its intention to install new and expanded telecommunication equipment on the tower in February 2014. Staff requested clarification regarding the request and, after numerous submittals and re-submittals, received acceptable construction documents in October 2014.

Due to the nature of the proposed changes and the fact that the current monthly lease rate is well below the market rate for this type of installation, staff requested that the lease rate be increased. Staff has negotiated the terms of Amendment No. 1 to Contract K-0506-151 with Cingular. The amendment includes: (1) Exhibit 1-A which describes the existing and proposed equipment on the tower; and (2) increases the lease rate by \$864.39 to \$2,131.16 per month with a 4% increase annually on the anniversary date of the contract. The amended contract has the option to renew for three additional 5-year terms.

RECOMMENDATION: Staff recommends the NUA approve Amendment No. 1 to Contract K-0506-151 with New Cingular Wireless PCS, LLC to modify its existing equipment and continue leasing space for telecommunication equipment placed on the Brookhaven Water Tower.