



Legislation Details (With Text)

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**Title:** CONTRACT WITH SPECTRUM ENTERPRISE FOR ETHERNET WIDE AREA NETWORK SERVICE

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 240621 Guilford County PRE-AUDIT CONTRACT 90005696\_Charter Communications Operating - FINAL.pdf

Date	Ver.	Action By	Action	Result
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**TITLE**

**CONTRACT WITH SPECTRUM ENTERPRISE FOR ETHERNET WIDE AREA NETWORK SERVICE**

**SPONSOR**

Peter Purcell

**BACKGROUND**

On September 21, 2023, the Board of County Commissioners approved a price only contract with Charter Communications Operating, LLC on behalf of operating subsidiaries providing services (Spectrum). During the contract execution process, the vendor requested changes to the initially approved contract; requesting their contract to supersede county provisions. Legal has worked with the vendor from October 5, 2023 to June 25, 2024 to negotiate mutually agreeable terms, including the County’s contract controlling.

While the services remain consistent with those requested, the extent of the changes in contract terms is not in substantial conformance with the original agreement. The major changes to the contract are around the Appropriation Clause, Breach Clause, and Termination Clauses. The standard Appropriation Clause has been modified to allow any accrued construction costs that were accrued at the County request, to be paid to Charter in the event of Non-Appropriation. Those fees are broken out for three (3) sites that were negotiated since the September Board meeting. The Termination for Convenience language to authorize it only if permitted by law and modified the amount of days for Notice from 30 to 180 days. The Breach term was modified to ensure that outages would not qualify as cause to terminate the Contract and removing wording related to non-payment during breach and the County's right to obtain an

alternative source for service. Therefore, Legal has advised that the agreement needs to be re-approved. During this period, service continued, and we added one location and increased bandwidth at another. The new contract has been updated to reflect these changes.

The PRICE ONLY contract term shall begin on the date the Services are functional in all material respects and available for use (the “Billing Start Date”) and shall remain in effect for Three (3) Years, beginning the date executed by both parties with the option to extend for Two (2), One (1) Year renewals at the same pricing and terms and conditions upon mutual written agreement of both Parties which will include Board approval. There is an overall 30% decrease in the cost from the current Spectrum Enterprise agreement with highest decreases occurring for our 10Gbps locations (39%). The annual estimated expense is \$187,680, which equates to a three (3) year estimated expense of \$563,040. Spectrum Enterprise will continue to provide a single billing with amounts separated for each location.

Spectrum Enterprise provides 29 wide area connections across the county to enable fiber connectivity between all the locations and access to the public internet with bandwidth options from 20 Mbps to 10 Gbps. Each location connection is scalable for future growth with on-demand bandwidth adjustment as needed.

**BUDGET IMPACT**

**NO ADDITIONAL COUNTY FUNDS REQUIRED**

**REQUESTED ACTION**

Approve a price only contract, in substantial form, with Charter Communications Operating, LLC beginning on the date the Services are functional in all material respects and available for use (the “Billing Start Date”) and remaining in effect for three (3) years, beginning the date executed by both parties with the option to extend for two (2), one-year renewals at the same pricing and terms and conditions upon mutual written agreement of both Parties for a total estimated cost of \$563,040 for the initial three (3) years.