

12-5216
EM SUBMISSION NO.: 2012 EM310
PRESENTED: 6/14/12
ADOPTED: 6/15/12

BY THE EMERGENCY MANAGER:

**RESOLUTION AUTHORIZING A LETTER OF UNDERSTANDING FOR A
CONTRACT ADDENDUM WITH AT&T FOR MANAGED ROUTING SERVICES
ALLOWING FOR REDUCTIONS IN SERVICE WITHOUT INCURRING PENALTIES**

The City has a contract in place with AT&T for managed routing services for support services to the Metropolitan Area Network (City telephone network).

The original contract contained a fee structure that included a minimum annual recurring charge that the City would not meet if they cancelled off-site locations; i.e., golf courses, senior centers, etc. The amendment allows the City to reduce services below the original committed minimum annual recurring charges, resulting in significant cost savings.

BE IT RESOLVED that the contract addendum between the AT&T Corp. and the City of Flint for Managed Router Services (Contract File #s 20110912-0070 & 20090219-0163), dated June 12, 2012 is approved.

APPROVED AS TO FORM:

for

Peter M. Bade, Chief Legal Officer

APPROVED AS TO FINANCE:


Jerry Ambrose, Finance Director

EM DISPOSITION:

ENACT ☒

FAIL ☐

DATED 6-15-12


Michael K. Brown, Emergency Manager

AT&T Global Services
Government & Education Division
23500 Northwestern Hwy W-216
Southfield, MI 48075



Date: June 12, 2012

To: City of Flint

Re: AT&T Managed Router Solutions Pricing Schedule
AT&T Contract File # 20110912-0070
AT&T Unified Agreement File # 119387UA (File # 20090219-0163)

From: AT&T

This letter is to confirm that AT&T Corp. has a contract in place with the City of Flint for Managed Router Services as covered by contract file number 20110912-0070, which is a schedule of contract file number 20090219-0163. The following clause is applicable to the Flint Managed Router Solutions Pricing Schedule for City of Flint (Customer) AT&T Contract file number 20110912-0070.

MARC. Minimum Annual Revenue Commitment ("MARC") means an annual revenue commitment of MARC-Eligible Charges set forth in a Pricing Schedule that Customer agrees to satisfy during each 12 consecutive month period of the Pricing Schedule Term. At the end of each such 12 month period, if Customer has failed to satisfy the MARC for the preceding 12 month period, Customer will be invoiced a shortfall charge in amount equal to the difference between the MARC and the total of the applicable MARC-Eligible Charges incurred during the 12 month period, a payment will be due in accordance with section 4.4 of the Master Agreement. (Payments)

Adjustments to MARC:

In the event of a downturn in business beyond Customer's control, or a corporate divestiture, merger, acquisition, or significant restructuring or reorganization of Customer's business, or network optimization using other services, or reduction of AT&T's prices, or force majeure events, any of which significantly impairs Customer's ability to meet Customer's MARC, AT&T will offer to adjust the MARC to reflect the Customer's reduced usage of services (with a corresponding adjustment to the prices or discount available at the reduced MARC level). If the parties reach mutual agreement on a revised MARC, AT&T and Customer will amend the affected Pricing Schedule prospectively. This does not apply to a change resulting from the Customer's decision to use service providers other than AT&T. Customer will provide AT&T written notice and evidence of the conditions Customer believes will require the application of this provision. The provision does not constitute a waiver of any charges, including monthly recurring charges and shortfall charges Customer incurs PRIOR to amendment of the affected Pricing Schedule. The MARC and discount levels will remain intact unless the Customer reduces the service levels by any amount on Ethernet based services utilizing AT&T Managed Router Service, or falls below 8 (eight) DS1 level circuits using AT&T Managed Router Service.

If the Customer, through merger, consolidation, acquisition or otherwise acquires a new business or operation, Customer and AT&T may mutually agree to include the new business or operation under this Agreement. Such agreement will specify the impact, if any, of such addition on Customer's MARC or other volume growth discounts, and Customer's attainment thereof.

The above clause applies to the sites that are covered serviced by T1 level services from AT&T utilizing AT&T's Managed Router Solution in the AT&T contract file number 20110912-0070. The intent is that AT&T will work with the City of Flint while they go through changes due to their financial situation which will include down sizing and more than likely elimination of sites. AT&T looks forward to continuing our partnership and support with the City of Flint Michigan.

Brandon Pizzuti
AT&T Michigan Regional Manager
248 204 2463

Michael K. Brown
City of Flint Emergency Manager

A handwritten signature in black ink, appearing to read "BP", with a long horizontal flourish extending to the right.

6/12/12