

From: Howington, Jane <jhowington@hudson.oh.us>
Sent: Tuesday, December 10, 2019 1:29 PM
To: City Council and Mayor <council@hudson.oh.us>
Cc: Slagle, Elizabeth <ESlagle@hudson.oh.us>; Knoblauch, Jeff <JKnoblauch@hudson.oh.us>; Ersing, Will <wersing@hudson.oh.us>
Subject: FW: Tuesday Workshop Item - Response to Councilman Foster

Attached is a memo from Will Ersing regarding the VBB question Councilmember Foster asked yesterday. Will and Jeff will be available tonight should you have additional questions on this matter.
Jane

From: Ersing, Will <wersing@hudson.oh.us>
Sent: Tuesday, December 10, 2019 1:18 PM
To: Howington, Jane <jhowington@hudson.oh.us>
Cc: Knoblauch, Jeff <JKnoblauch@hudson.oh.us>
Subject: Tuesday Workshop Item - Response to Councilman Foster

Jane,

The Velocity team uses the \$100,000 authorization to spend monies, already approved as part of the VBB budget, on interior install contractors as well as the purchasing of certain materials. These purchases could reach the budgeted amount over one year and would have a direct impact on the timely delivery of services to customers. Any situation where staff feels they are close to using the total budgeted amount, they would then come back to Council and request re-appropriations.

In certain instances material and services needed are best procured by HPP due to joint purchasing programs, loading dock access, and pole attachment knowledge. Any material purchased by HPP for the use of Velocity is purchased directly using Velocity budgets and line numbers. This authorization is not earmarked for one particular customer or area but rather the system as a whole due to Velocity continuing to add new customers across the entire network. Staff designs the fiber network as a new area is serviced and as customers request service. As for the \$50,000 allocated by HPP, this is used by that department should they need to purchase material to support their substations and interconnected infrastructure. Any material HPP purchases for Velocity purposes is done directly from Velocity purchase lines and not HPP purpose lines. Finally, this legislation is used to purchase material that has limited availability and which vendors cannot guarantee price or availability for an extended period of time. In the case of VBB, this typically includes spools of fiber in excess of 2,000ft.

As a comparison, this year only approximately \$32,062 in material has been purchased under the prior \$100,000 authorization for 2019.

Thanks,

Will Ersing
Network Systems Administrator
City of Hudson